



**NU E Corp.**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(unaudited, in Canadian dollars)

Three and nine months ended September 30, 2023 and 2022

**NU E CORP.**  
**Consolidated Statements of Financial Position**  
(unaudited, in Canadian dollars)

	September 30, 2023	December 31, 2022
<b>ASSETS</b>		
<b>Current</b>		
Cash	240,116	1,310,082
Trade and other receivables (note 6)	138,461	51,372
Prepays and deposits (note 7)	34,676	6,009
Loan receivable (note 9)	472,371	50,953
<b>Total current assets</b>	<b>885,624</b>	<b>1,418,416</b>
<b>Non-current</b>		
Restricted cash (note 8)	95,000	95,000
Loan receivable (note 9)	11,029	45,983
Right-of-use assets (note 11)	97,232	149,110
Property, plant and equipment (note 12)	1,347,265	1,356,028
Development costs (note 13)	-	945,276
<b>Total non-current assets</b>	<b>1,550,526</b>	<b>2,591,397</b>
<b>Total assets</b>	<b>2,436,150</b>	<b>4,009,813</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (note 14)	452,713	274,024
Shareholder loans	948	10,965
Loans and borrowings (note 15)	49,607	48,180
Leases (note 11)	62,545	59,744
<b>Total current liabilities</b>	<b>565,813</b>	<b>392,913</b>
<b>Non-current</b>		
Loans and borrowings (note 15)	819,589	856,918
Leases (note 11)	29,577	76,276
<b>Total non-current liabilities</b>	<b>849,166</b>	<b>933,194</b>
<b>Total liabilities</b>	<b>1,414,979</b>	<b>1,326,107</b>
<b>SHAREHOLDERS' EQUITY</b>		
Common shares (note 16)	4,623,812	4,578,012
Warrants (note 16)	50,491	50,491
Contributed surplus	473,282	254,277
Deficit	(4,126,414)	(2,199,074)
<b>Total shareholders' equity</b>	<b>1,021,171</b>	<b>2,683,706</b>
<b>Total liabilities and shareholders' equity</b>	<b>2,436,150</b>	<b>4,009,813</b>

Going concern (note 1)  
Discontinued operations (note 5)  
Subsequent events (note 24)

*The accompanying notes are an integral part of these interim condensed consolidated financial statements.*

**NU E CORP.****Consolidated Statements of Loss and Comprehensive Loss**

(unaudited, in Canadian dollars)

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2023	2022	2023	2022
<b>Revenue</b> (note 17)	186,644	-	248,685	-
<b>Expenses</b>				
General and administrative (note 18)	687,024	204,432	1,902,027	637,556
Share-based compensation (note 16)	67,111	185,635	304,805	185,635
Depreciation and amortization (notes 11, 12)	21,561	20,873	65,508	59,098
Gain on sale of development assets (note 13)	1,950	-	(71,057)	-
Finance (income) expense, net (note 19)	(4,826)	6,194	(729)	13,676
	<u>772,820</u>	<u>417,134</u>	<u>2,200,554</u>	<u>895,965</u>
<b>Net loss before taxes</b>	(586,176)	(417,134)	(1,951,869)	(895,965)
Income taxes	4,490	-	24,529	-
<b>Net loss before discontinued operations</b>	(581,686)	(417,134)	(1,927,340)	(895,965)
Discontinued operations (note 5)	-	-	-	(376,354)
<b>Net loss and comprehensive loss</b>	<b>(581,686)</b>	<b>(417,134)</b>	<b>(1,927,340)</b>	<b>(1,272,319)</b>
<b>Net loss per share attributable to shareholders</b> (note 16)				
Basic and diluted, net loss per share from continuing operations	(0.01)	(0.01)	(0.04)	(0.02)
Basic and diluted, net loss per share from discontinued operations	-	-	-	(0.01)
Basic and diluted, net loss per share	<u>(0.01)</u>	<u>(0.01)</u>	<u>(0.04)</u>	<u>(0.03)</u>

*The accompanying notes are an integral part of these interim condensed consolidated financial statements.*

**NU E CORP.****Consolidated Statements of Changes in Shareholders' Equity**

(unaudited, in Canadian dollars)

	Share Capital	Warrants	Contributed Surplus	Deficit	Total
Balance at January 1, 2023	4,578,012	50,491	254,277	(2,199,074)	2,683,706
Loss for the period	-	-	-	(1,927,340)	(1,927,340)
Repurchase and cancellation of shares (note 16)	(104,200)	-	(95,800)	-	(200,000)
Shares issued for services (note 16)	150,000	-	10,000	-	160,000
Share-based compensation (note 16)	-	-	304,805	-	304,805
<b>Balance, September 30, 2023</b>	<b>4,623,812</b>	<b>50,491</b>	<b>473,282</b>	<b>(4,126,414)</b>	<b>1,021,171</b>

	Share Capital	Warrants	Contributed Surplus	Deficit	Total
Balance at January 1, 2022	1,443,097	42,369	-	(364,537)	1,120,929
Loss for the period	-	-	-	(1,272,319)	(1,272,319)
Issuance of shares and warrants, net (note 16)	2,917,891	8,122	-	-	2,926,013
Cancellation of common shares (note 16)	-	-	9,719	-	9,719
Share-based compensation (note 16)	-	-	185,635	-	185,635
Balance at September 30, 2022	4,360,988	50,491	195,354	(1,636,856)	2,969,977

*The accompanying notes are an integral part of these interim condensed consolidated financial statements.*

**NU E CORP.**  
**Consolidated Statements of Cash Flows**  
(unaudited, in Canadian dollars)

	Nine months ended September 30,	
	2023	2022
<b>Operating activities</b>		
Net loss	(1,927,340)	(1,272,319)
Non-cash items:		
Depreciation and amortization	65,508	82,693
Impairment loss on remeasurement of discontinued operations	-	35,063
Share-based compensation	304,805	185,635
Allowance for doubtful accounts	-	1,500
Gain on sale of development assets (note 13)	(71,057)	-
Shares issued for services (note 16)	160,000	-
Net change in non-cash working capital (note 23)	99,460	80,600
<b>Cash flows used in operating activities</b>	<b>(1,368,624)</b>	<b>(886,828)</b>
<b>Financing activities</b>		
Repayment of mortgage (note 15)	(35,902)	(34,369)
Repayment of term loan (note 15)	-	(14,992)
Proceeds from private placements, net (note 16)	-	2,935,732
Repurchase of common shares	(200,000)	-
Lease payments (note 11)	(43,898)	(71,737)
Repayment of shareholder loans	(10,017)	(1,048)
Net change in non-cash working capital (note 23)	(648)	85,214
<b>Cash flows (used in) from financing activities</b>	<b>(290,465)</b>	<b>2,898,800</b>
<b>Investing activities</b>		
Development costs (note 13)	(498,214)	(695,001)
Sale of development properties (note 13)	1,089,402	-
Disposal of Helix (note 9)	38,681	(36,574)
Additions to property, plant and equipment (note 12)	(4,867)	(4,058)
Net change in non-cash working capital (note 23)	(35,879)	(16,300)
<b>Cash flows from (used) in investing activities</b>	<b>589,123</b>	<b>(751,933)</b>
Net change in cash and cash equivalents	(1,069,966)	1,260,039
Cash and cash equivalents, beginning of period	1,310,082	425,414
<b>Cash and cash equivalents, end of period</b>	<b>240,116</b>	<b>1,685,453</b>
Interest paid on loans and borrowings, net	29,775	31,794

*The accompanying notes are an integral part of these interim condensed consolidated financial statements.*

## 1. Incorporation and nature of business

NU E Corp. (the “Company” or “NU E”) is a Canadian owned and operated solar development company headquartered in Calgary, Alberta. NU E was incorporated in Toronto, Ontario on January 28, 2021 and continued to Alberta on March 9, 2022. The primary office is located at 6404, 6A St. SE, Calgary, Alberta, Canada, T2H 2B7.

These consolidated financial statements were approved by the Board of Directors on November 22, 2023.

The Company’s core capabilities include solar site identification, land acquisition, regulatory and interconnection processes. As of September 30, 2023, the Company has identified five solar power generation project locations that land access rights have been secured or is in the process of securing. The Company’s projects are developed within the Low Carbon NU-Energy Corp. (“LC NU-Energy”) joint venture, see below.

In March 2022, the Company entered into a share exchange Agreement to conduct a reverse take-over (“RTO”) of Vinza Capital Management Inc. (“Vinza”). Vinza is to acquire all of the issued and outstanding securities of NU E through a one for one common share and purchase warrant exchange with NU E shareholders, see note 24.

On May 29, 2023, the Company transferred all its development assets and existing solar energy projects to wholly owned Special Purpose Vehicles (“SPV’s”) of the Company. Immediately ensuing the transfer of assets to the SPVs, the ownership of the SPVs were transferred to LC NU-Energy, at the time a wholly owned subsidiary of NU E.

On June 7, 2023, the Company finalized the Transaction with Low Carbon Canada Solar Limited (“Low Carbon”) to create a joint venture for the purpose of developing existing and future solar energy projects through LC NU-Energy. Low Carbon purchased 50% of the common shares and 100% of the preferred shares that NU E held in LC NU-Energy for total cash consideration for \$1,089,352. Additionally, NU E had received a Promissory Note from one of the SPV’s (Lethbridge One Solar Corp.) for \$425,145, representing solar project construction costs incurred by NU E. Further to the Transaction, Low Carbon, NU E and LC NU-Energy entered into a Development Services agreement whereby NU E would provide solar energy development services and Low Carbon would provide services and investment capital to LC NU-Energy.

### *Going concern*

The Company has not yet generated sufficient revenue from the development of its solar power generation assets and has incurred a loss of \$1.9 million for the nine months ended September 30, 2023 and a \$1.5 million loss from continuing operations for the year ended December 31, 2022. The Company will require additional capital to fund development of its solar power generation assets through its joint venture with Low Carbon and other corporate activities over the next year and beyond.

These interim condensed consolidated financial statements have been prepared on a going concern basis, which assumes the realization of assets and settlement of liabilities in the normal course of business. The long-term viability of the Company will depend on its ability to develop new solar power generation projects or other long-term sources of revenue which is dependent on the Company’s access to additional financing. These matters create a material uncertainty that may cast significant doubt as to the Company’s ability to continue as a going concern.

These interim condensed consolidated financial statements do not include any adjustments to the carrying value or classification of recorded asset amounts and carrying value or classification of liabilities that might be necessary, should the Company be unable to continue as a going concern.

## 2. Basis of presentation

These interim condensed consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") 34 "Interim Financial Reporting", following the same accounting policies as the audited consolidated financial statements of the Company as at December 31, 2022, except as disclosed in note 3. These interim condensed consolidated financial statements contain disclosures that are supplemental to the Company's annual audited consolidated financial statements. Certain disclosures normally required to be included in the notes to the annual audited consolidated financial statements have been condensed. These interim condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and notes thereto for the year ended December 31, 2022.

Certain information has been restated in the interim condensed consolidated financial statements as a result of the discontinued operations for the periods presented, see note 5.

## 3. Significant accounting policies

Except as noted below, the significant accounting policies used in the preparation of these unaudited interim condensed consolidated financial statements have been applied consistently for all periods presented and are unchanged from the policies disclosed in the notes to the consolidated financial statements for the year ended December 31, 2022.

### *Revenue recognition*

The Company provides of solar energy development services to LC NU-Energy. Revenue is based on a contracted fee and is earned based on services performed and delivered each period.

### *Joint Arrangements*

Joint arrangements represent arrangements where Nu E has joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Joint ventures are accounted for using the equity method of accounting and are initially recognized at cost, or fair value if acquired as part of a business combination. Joint ventures are adjusted thereafter for the post-acquisition change in the Company's share of the equity accounted investees' net assets. Nu E's financial statements include its share of the equity accounted investees' profit or loss and comprehensive income, until the date that joint control ceases. When Nu E's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest, including any long-term investments, is reduced to nil, and the recognition of further losses is discontinued except to the extent that Nu E has an obligation or has made payments on behalf of the investee. Distributions from and contributions to investments in equity accounted investees are recognized when received or paid.

After application of the equity method, Nu E determines whether it is necessary to recognize an impairment loss on its equity accounted investees. At each reporting date, Nu E determines whether there is objective evidence that the equity accounted investment is impaired. If there is such evidence, Nu E calculates the amount of the impairment as the difference between the recoverable amount of the equity accounted investment and its carrying value, and then recognizes the loss within share of profit of equity accounted investees in the consolidated statement of loss and comprehensive loss.

### *Change in accounting policies*

In January 2020, the IASB issued amendments to IAS 1 "Presentation of Financial Statements" to clarify that liabilities are classified as either current or non-current, depending on the existence of the substantive right at the end of the reporting period for an entity to defer settlement of the liability for at least twelve months after the reporting period. The Company is adopting the amendments on January 1, 2024, and the amendments are not expected to have a significant impact on the company's financial statements.

#### 4. Critical accounting estimates and judgements

The Company has made estimates, assumptions and judgements regarding certain assets, liabilities, revenues and expenses in the preparation of the interim consolidated financial statements, primarily related to unsettled transactions and events as of the date of the interim condensed consolidated financial statements. Accordingly, actual results may differ from estimated amounts, and those amounts may be material.

#### 5. Discontinued operations

##### *Disposition of Helix*

On July 1, 2022, the Company sold its Helix Electronics segment (“Helix”) for a note receivable consisting of 28 monthly payments of \$4,643, totalling \$130,000. The note receivable was valued at \$115,020, based on the expected monthly cash flows discounted at 8.9%.

The comparative consolidated statements of loss have been restated to present the discontinued operation separately from continuing operations for the periods presented.

Helix was a company engaged in the assembly of industrial electrical equipment in Western Canada. The Company recognized the sale of Helix as a business disposal.

The following provides a summary of the effect the disposal had on the Company’s financial position.

Cash	41,147
Trade and other receivables	29,714
Inventory	143,082
Lease assets	79,219
Plant, property and equipment	12,877
Accounts payable and accrued liabilities	(112,085)
Lease liability	(78,934)
	<u>115,020</u>

Consideration received, note receivable 115,020

Discontinued operations included the following revenue and expenses that were reclassified from continuing operations for the periods presented.

	Three months ended September 30, 2022	Nine months ended September 30, 2022
Revenue	-	234,557
Expenses:		
Cost of goods sold	-	271,527
Operating	-	79,402
General and administrative	-	199,116
Depreciation and amortization	-	23,594
Impairment of assets	-	35,064
Finance costs	-	2,208
	-	<u>610,911</u>
<u>Net loss for the period</u>	-	<u>(376,354)</u>

Cash flows used in discontinued operations.

	Three months ended September 30, 2022	Nine months ended September 30, 2022
Net cash used in operating activities	-	(297,388)
Net cash used in financing activities	-	(25,191)
Net cash used in investing activities	-	(1,062)
	-	<u>(323,641)</u>



## 6. Trade and other receivables

	September 30, 2023	December 31, 2022
Trade receivables	117,419	51,372
Other receivables	21,042	-
	<u>138,461</u>	<u>51,372</u>

## 7. Prepays and deposits

	September 30, 2023	December 31, 2022
Prepays	28,667	-
Security deposit	6,009	6,009
	<u>34,676</u>	<u>6,009</u>

At September 30, 2023, prepays and deposits consisted of insurance premiums paid in advance and a security deposit for the Company's head office.

## 8. Restricted cash

The Company assigned guaranteed investment certificates in the amount of \$95,000, as required for its collateral mortgage (see note 15), to the lender for the term of the borrowing.

## 9. Loans receivable

	Total
At December 31, 2021	-
Addition	115,020
Payments of principal	(18,084)
At December 31, 2022	<u>96,936</u>
Payments of principal	(38,681)
Addition	425,145
At September 30, 2023	<u>483,400</u>

On May 29, 2023, the Company received a \$425,145 promissory note as part of the formation of LC NU-Energy joint venture, see note 1. The promissory note has an interest rate of 7.5% plus SONIA (Sterling Overnight Index Average), which is to be accrued monthly until the promissory note is settled.

On August 1, 2022, the Company provided the purchaser of Helix a payment plan requiring \$4,643 to be paid monthly for 28 months, commencing September 1, 2022, see note 5. The original payment stream was valued at \$115,020 based on an interest rate of 8.9% and the undiscounted amount was \$130,000.

	September 30, 2023	December 31, 2022
Loan receivable	483,400	96,936
Less: current portion	472,371	50,953
	<u>11,029</u>	<u>45,983</u>

## 10. Investment in joint venture

On June 7, 2023, the Company sold 50% of its 100% interest in LC NU-Energy to establish a joint venture with Low Carbon, see note 1. NU E and Low Carbon each own 50% of the voting common shares of LC NU-Energy and exercise joint control. Additionally, Low Carbon owns 100% of the non-voting non-cumulative redeemable preferred shares, which have a redemption value of \$1.1 million.

At September 30, 2023, the joint venture had the following balances of assets and liabilities, gross.

	September 30, 2023
Assets	2,801,137
Liabilities	1,754,339

LC NU-Energy has incurred losses of \$42,494 at September 30, 2023, as a result of all development costs being expensed until a project is ready to be constructed and the value of the development is recognized.

Due to the redemption value of the preferred shares held by Low Carbon and the losses incurred in the joint venture, the carrying value of Nu E's investment in the joint venture is \$nil.

### *Reimbursement of costs*

Under the terms of the Development Services agreement, the Company is paid for all solar project development costs incurred on behalf of the LC NU-Energy joint venture. The development costs incurred by the Company primarily consist of consulting costs, general and administrative expenses and recovery of interest paid on its property mortgage. From June 7, 2023, to the end of the third quarter of 2023, the Company earned \$248,685, which has been recognized as revenue in the statement of income, see note 17.

## 11. Leases

### *Right-of-use assets*

	Total
At December 31, 2021	261,509
Addition	50,249
Disposal <sup>(1)</sup>	(79,219)
Depreciation <sup>(2)</sup>	(83,429)
At December 31, 2022	149,110
Depreciation	(51,878)
At September 30, 2023	97,232

(1) Helix office lease that was disposed on July 1, 2022.

(2) Includes \$22,006 of depreciation related to Helix that was recorded in discontinued operations.

At September 30, 2023, the Company had an office lease and vehicle leases for continuing operations.

### *Lease liabilities*

	September 30, 2023	December 31, 2022
Lease liabilities	92,122	136,020
Less: current portion	62,545	59,744
	29,577	76,276

The lease liabilities consist of the vehicle leases and office leases described above.

Total lease cash outflows are provided below:

Nine months ended	September 30, 2023	September 30, 2022
Total cash outflows for leases <sup>(1)</sup>	54,417	73,224

(1) Includes \$28,800 of cash outflows for Helix for the nine months ended September 30, 2022.



## 12. Property, plant and equipment

	Property	Plant and equipment	Total
<b>Cost</b>			
At December 31, 2021	1,275,000	119,333	1,394,333
Additions	-	4,926	4,926
Disposal <sup>(1)</sup>	-	(16,278)	(16,278)
At December 31, 2022	1,275,000	107,981	1,382,981
Additions	-	4,867	4,867
At September 30, 2023	1,275,000	112,848	1,387,848
<b>Accumulated depreciation</b>			
At December 31, 2021	-	7,843	7,843
Depreciation <sup>(2)</sup>	-	22,511	22,511
Disposal <sup>(1)</sup>	-	(3,401)	(3,401)
At December 31, 2022	-	26,953	26,953
Depreciation	-	13,630	13,630
At September 30, 2023	-	40,583	40,583
<b>Net book value</b>			
At December 31, 2022	1,275,000	81,028	1,356,028
At September 30, 2023	1,275,000	72,265	1,347,265

(1) Includes equipment from the disposal of the Helix, see note 5.

(2) Includes \$1,589 of depreciation related to discontinued operations.

## 13. Development costs

	Total
At December 31, 2021	67,801
Additions	877,475
At December 31, 2022	945,276
Additions	498,214
Disposals	(1,443,490)
At September 30, 2023	-

During the three and nine months ended September 30, 2023, the Company capitalized \$1,950 and \$498,214, respectively, of development costs (three and nine months ended September 30, 2022 - \$387,469 and \$583,702). The capitalized development costs during the three and nine months ended September 30, 2023, included \$nil and \$17,082 of capitalized interest, respectively, related to the Lethbridge One solar power generation project (three and nine months ended September 30, 2022 - \$10,236 and \$31,322).

### *Gain on sale of development assets*

On June 7, 2023, the Company sold 50% of its interest in LC NU-Energy, a subsidiary of the Company that held its rights to its solar projects in development, see note 1 and note 10. The sale resulted in a gain of \$71,057 at September 30, 2023, and is subject to change as final amounts are determined.

The following provides a summary of the effect the disposal had on the Company's financial position.

	September 30, 2023
<b>Assets disposed:</b>	
Development assets	1,443,490
Working capital	(50)
	1,443,440
<b>Consideration received:</b>	
Cash	1,089,352
Promissory note	425,145
	1,514,497
Gain on sale of assets	71,057



#### 14. Accounts payable and accrued liabilities

	September 30, 2023	December 31, 2022
Accounts payable <sup>(1)</sup>	213,421	204,308
Accrued liabilities	239,292	69,716
	452,713	274,024

(1) Accounts payable includes legal costs of \$47,799 related to the agreements with Low Carbon.

#### 15. Loans and borrowings

	September 30, 2023	December 31, 2022
Collateral mortgage	869,196	905,098
Less: current portion	49,607	48,180
	819,589	856,918

On November 12, 2021, the Company entered into a five-year \$956,250 collateral mortgage with a fixed interest rate of 4.46%. The collateral mortgage requires monthly payments of \$7,297 and matures on November 12, 2026, requiring the repayment of the remaining balance. The funds were used to finance the purchase of Lethbridge 1 land. The collateral mortgage has a general charge over the Company assets and required term deposits and/or guaranteed investment certificates totalling \$95,000 be assigned to the lender during the term of the collateral mortgage as collateral, see note 8.

#### 16. Share capital

##### *Authorized*

The Company has authorized an unlimited number of common shares to be issued without par value.

Preferred shares are issuable in series with the number of shares and the designation, rights, privileges, restrictions, and conditions attached to the shares to be determined by the Board of Directors prior to issuance. No preferred shares had been issued as of September 30, 2023.

##### *Common shares*

	Number of common shares	Amount
At December 31, 2021, issued	33,550,110	1,345,976
Common shares subscribed <sup>(1)</sup>	2,000,000	97,121
At December 31, 2021, issued and subscribed	35,550,110	1,443,097
Issued during private placement \$0.10	2,950,000	276,878
Issued during private placement \$0.25	5,064,000	1,266,000
Issued during private placement \$0.50	3,250,000	1,625,000
Cancellation of common shares	(100,000)	(9,719)
Share issue costs, net	-	(23,244)
At December 31, 2022, issued	46,714,110	4,578,012
Repurchase and cancellation of common shares <sup>(2)</sup>	(1,000,000)	(104,200)
Issuance of shares for services	300,000	150,000
At September 30, 2023, issued	46,014,110	4,623,812

(1) There were 2,000,000 common shares subscribed at December 31, 2022, that were issued in January 2022 upon receipt of the remaining funds.

(2) On April 15, 2023, the Company purchased 1,000,000 common shares from existing shareholders at \$0.20 per common share for total cash of \$200,000. The common shares were immediately cancelled subsequent to acquisition.

During the nine months ended September 30, 2023, the Company issued 300,000 common shares to a consultant for services rendered. The fair market value of common share consideration was \$150,000.

Subsequent to September 30, 2023, the Company completed an RTO (see note 24), which included 10,874,170 common shares on a one for one basis, resulting in 60,388,280 common shares outstanding as of the date of these financial statements.



## Warrants

	Average exercise price	Number of warrants	Amount
At December 31, 2021, issued	0.23	6,425,000	39,490
Warrants subscribed <sup>(1)</sup>	0.15	1,000,000	2,879
At December 31, 2021, issued and subscribed	0.22	7,425,000	42,369
Issued during private placements	0.25	1,425,000	8,122
At December 31, 2022 and September 30, 2023, issued	0.23	8,850,000	50,491

(1) There were 1,000,000 warrants subscribed at December 31, 2022, that were issued in January 2022 upon receipt of the remaining subscription receivable. December 31, 2021, there were 1,000,000 warrants subscribed to purchase common shares. The subscribed warrants were not issued until the full amount of the funds were received in January 2022.

Subsequent to September 30, 2023, the Company completed an RTO (see note 24), which included an additional 3,000,000 warrants to purchase common shares at \$0.30 and 3,000,000 warrants to purchase common shares at \$0.60, which expire on December 13, 2024.

## Share-based payments

The Company has a long-term incentive plan "Option Plan" to provide common share purchase options to certain employees, consultants and directors, to purchase common shares.

On June 15, 2023, the Company granted 1,000,000 common share purchase options at an exercise price of \$0.50 per share. The options granted vest equally in three tranches, with the first tranche vesting immediately, the second tranche on June 15, 2024 and the third tranche on June 15, 2025.

On August 10, 2023, the Company granted 166,667 common share purchase options at an exercise price of \$0.50 per share. The options granted vest equally in three tranches, with the first tranche vesting immediately, the second tranche on August 10, 2024 and the third tranche on August 10, 2025.

During the nine months ended September 30, 2023, 583,333 options were forfeited.

Subsequent to September 30, 2023, the Company granted 1,766,667 common share purchase options at an exercise price of \$0.50 per share. The options were granted on November 14, 2023, and vest equally in three tranches, with the first tranche vesting immediately, the second tranche on November 14, 2024 and the third tranche on November 14, 2025.

The following assumptions were used to estimate the fair value of the options issued to grantees during 2023.

Risk free interest rate	3.3% to 3.6%
Expected life	10 years
Expected volatility	55%
Fair value of option	\$0.34

On August 17, 2022, the Company granted 3,750,000 common share purchase options to employees and directors of the Company. The options granted vest equally in three tranches, with the first tranche vesting immediately, the second tranche on August 17, 2023 and the third tranche on August 17, 2024.

During the three and nine months ended September 30, 2023, the Company recognized a share-based compensation expense of \$67,111 and \$304,805, respectively.

At September 30, 2023, the Company had 4,333,334 options outstanding with a remaining life of 9.0 years and weighted average exercise price of \$0.28.

### Net loss per share

The net loss and weighted average number of common shares used in the calculation of basic and diluted net loss per share are as follows.

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Net loss from continuing operations	(581,686)	(417,134)	(1,927,340)	(895,965)
Net loss from discontinued operations	-	-	-	(376,353)
Net loss attributable to shareholders	(581,686)	(417,134)	(1,927,340)	(1,272,318)
<i>Weighted average number of common shares</i> <sup>(1)</sup>	45,766,284	43,657,578	46,116,308	40,708,173
Basic and diluted, net loss per share from continuing operations	(0.01)	(0.01)	(0.04)	(0.02)
Basic and diluted, net loss per share from discontinued operations	-	-	-	(0.01)
Basic and diluted, net loss per share	(0.01)	(0.01)	(0.04)	(0.03)

(1) The effect of any potential exercise of warrants and stock options is excluded from the calculation of diluted loss per share for the periods presented, as the effect would be anti-dilutive.

### 17. Revenue

On June 7, 2023, the Company commenced recognizing revenues in accordance to the Development Services agreement with Low Carbon and LC NU-Energy. The revenue includes reimbursement of certain costs incurred on behalf of LC NU-Energy for the development of the current and prospective solar projects of LC NU-Energy, see note 10.

During the nine months ended September 30, 2023, and nine months ended September 30, 2022, the Company did not have revenue in addition to the Development Services agreement described above, except for the revenue included in discontinued operations. The revenue from discontinued operations commenced on September 1, 2021, as part of the Helix acquisition and ceased on July 1, 2022, when Helix was disposed, see note 5.

### 18. General and administrative

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Salaries and benefits	17,857	29,619	192,686	61,631
Consultants <sup>(1)</sup>	491,924	111,887	1,063,760	393,063
Administrative expenses	68,720	58,391	179,062	145,822
Professional fees	97,232	(3,936)	435,118	11,452
Property taxes and insurance	11,291	8,471	31,401	25,588
	687,024	204,432	1,902,027	637,556

(1) During the three and nine months ended September 30, 2023, consultants include \$210,122 and \$588,172, respectively, of management fees (three and nine months ended September 30, 2022 – \$108,155 and \$330,955).

## 19. Finance (income) expense, net

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Interest on collateral mortgage <sup>(1)</sup>	12,446	16,202	29,528	36,962
Interest on term loan	-	89	-	348
Interest on lease liabilities	3,148	3,290	9,519	8,905
Bank fees and other	510	2,815	1,361	4,423
Interest revenue	(20,930)	-	(24,055)	-
Capitalized interest <sup>(1)</sup>	-	(16,202)	(17,082)	(36,962)
	(4,826)	6,194	(729)	13,676

(1) The Company capitalized the interest on its collateral mortgage to development costs up to June 7, 2023, and expensed after that date, see note 13.

## 20. Financial instruments

### *Fair values*

The Company classifies and measures its cash, restricted cash, trade and other receivables, prepaids and deposits, trade and other payables, shareholder loans at amortized cost and their fair values are not materially different from their carrying amounts due to their short-term nature.

### *Fair value hierarchy*

FRS 13, Fair value measurement, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of fair value hierarchy are as follows:

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities,
- Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: Inputs that are not based on observable market data.

Financial assets valued at amortized cost are cash, restricted cash, trade and other receivables, prepaids and deposits, and loan receivable. The Company has no financial assets valued at FVTPL or FVTOCI.

The Company's financial liabilities measured at amortized costs are accounts payables and accrued liabilities, shareholders loans, and loans and borrowings.

The Company has exposure to credit, foreign exchange, liquidity, and interest rate risk as follows:

### *Credit risk*

Credit risk is the risk of that a counterparty to a financial asset will default, resulting in the Company incurring a financial loss. The Company is exposed to credit risk on its cash and accounts receivable to a maximum of the varying value of the items at the reporting date.

The Company mitigates its exposure to credit risk by maintaining its bank accounts with major Canadian financial institutions with strong investment-grade ratings by a primary ratings agency.

Accounts receivable is comprised of the following:

	September 30, 2023	December 31, 2022
Trade receivables	117,419	51,372
Allowance for doubtful accounts	-	-
Net trade receivable	117,419	51,372
Other receivables	21,042	-
	138,461	51,372

An analysis of the age of trade and other receivables at September 30, 2023 is as follows:

Outstanding	Gross trade and other receivables	Allowance for doubtful accounts	Net trade and other receivables
Less than 30 days	138,261	-	138,261
30 days to 90 days	-	-	-
Greater than 90 days	200	-	200
	138,461	-	138,461

#### *Foreign exchange risk*

The Company incurs certain operating expenses and capital expenditures in U.S. dollars. Accordingly, the fluctuations in the exchange rate between the U.S. and Canadian dollar can impact the Company's reported results.

#### *Liquidity risk*

Liquidity risk is the risk that the Company will encounter difficulties in meeting its financial obligations.

The Company's monitors its ability to meet its short-term operating expenditures by raising additional funds through share issuances when required. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market or other alternative forms of financing is hindered, whether as a result of a downturn in stock market conditions generated or related to matters specific to the Company (see note 1).

The following summarizes the Company's contract maturities for financial instrument liabilities at September 30, 2023.

	Less than 1 year	1 to less than 3 years	3 to less than 5 years	Thereafter	Total
Accounts payable and accrued liabilities	452,713	-	-	-	452,713
Shareholder loans	948	-	-	-	948
Loans and borrowings	49,607	106,616	712,973	-	869,196
Leases	62,545	29,577	-	-	92,122
	565,813	136,193	712,973	-	1,414,979

## **21. Capital management**

The Company defines its capital as follows:

- shareholders' equity, comprising of issued common shares, reserves and deficit;
- long term debt, including any current portion; and
- short term borrowing

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the funding of its marketing and operational plans and any joint venture and project commitments extending beyond one year. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company is not subject to externally imposed capital requirements.

## **22. Related party transactions**

Transactions with related parties were in the normal course of operations and were valued in these interim condensed consolidated financial statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The Company had the following (payable) receivable balances with related parties.

	September 30, 2023	December 31, 2022
Executives <sup>(1)</sup>	(52,060)	(54,109)
Non-executive director	-	3,000
	(52,060)	(51,109)

(1) Balances include shareholder loans from the CEO and management and consulting fees payable to executives.





### 23. Supplemental disclosure of cash flow information

	Nine months ended September 30,	
	2023	2022
Changes in non-cash working capital:		
Accounts and other receivables	(87,089)	176,004
Prepays and deposits	(28,667)	(83,933)
Inventory	-	(11,049)
Accounts payable and accrued liabilities	178,689	68,492
Net changes in non-cash working capital	62,933	149,514
Relating to:		
Operating activities	99,460	80,600
Financing activities	(648)	85,214
Investing activities	(35,879)	(16,300)
	62,933	149,514

### 24. Subsequent events

#### *Convertible Debenture*

On October 17, 2023, the Company closed the issuance of a \$300,000 convertible debenture ("Debenture"). The Debenture has an interest rate of 10% and the maturity date is the date the Company lists its common shares for trading on a recognized Canadian securities exchange ("Conversion Date"). On the conversion date, the principal and accrued interest of the Debenture is converted into common shares of the Company at a conversion price of \$1.00 per common share.

#### *Reverse take-over of Vinza and name change*

On October 16, 2023, the Company amalgamated with 2514148 Alberta Ltd., a wholly owned subsidiary of Vinza Capital Management Inc., in exchange for 46,014,110 shares of Vinza, resulting in the shareholders of NU E acquiring control of Vinza to effect a reverse takeover of Vinza by NU E. Pursuant to the amalgamation Vinza changed its name to NU E Power Corp.