Scryb Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF

FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023

(Expressed in Canadian Dollars)

Dated: January 28, 2025

Management's Discussion and Analysis of Operations

For the years ended September 30, 2024 and 2023

This Management's Discussion and Analysis ("MD&A) is prepared as of September 30, 2024 and 2023 and has been prepared in accordance with International Financial Reporting Standards ("IFRS). All amounts are in Canadian dollars.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls and to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable. The Company's directors follow recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The board's audit committee meets with management quarterly to review the financial statements including the MD&A and to discuss other financial, operating and internal control matters.

Caution Regarding Forward Looking Statements

This document contains forward-looking statements, such as statements regarding future sales opportunities in various global regions and financing initiatives that are based on current expectations of management. These statements involve uncertainties and risks, including the Company's ability to obtain and/or access additional financing with acceptable terms, and delays in anticipated product sales. Such forward-looking statements should be given careful consideration and undue reliance should not be placed on these statements.

The preparation of the MD&A may require management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Management bases estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities. Actual results may differ from these estimates under different assumptions or conditions. Management believes the accounting policies, outlined in the Material Accounting Policies section of its consolidated financial statements, affect its more significant judgments and estimates used in the preparation of its consolidated financial statements.

Introduction

The following MD&A for the years ended September 30, 2024 and 2023 has been prepared to help investors understand the financial performance of Scryb Inc. ("the Company" or "Scryb"), in the broader context of the Company's strategic direction, the risk and opportunities as understood by management, and the key metrics that are relevant to the Company's performance. The Audit Committee of the Board of Directors has reviewed this document and all other publicly reported financial information for integrity, usefulness, reliability and consistency.

All amounts are expressed in Canadian dollars (CAD) unless otherwise noted.

Additional information about Scryb Inc., this document, and the related quarterly financial statements can be viewed on the Company's website at www.scryb.ca and are available on SEDAR+ at www.sedar.com. The Company's Common Shares are listed and traded on the CSE ("CSE"), the Frankfurt exchange and the OTCQB under the symbols SCYB, EIY and SCRF respectively.

Corporate Overview

Scryb develops and productizes emerging technologies and builds disruptive, high-growth businesses. Scryb's team identifies and advances high-potential opportunities and applies its technology development platform to rapidly scale its growth. Scryb's most significant asset is its investment in Cybeats Technologies (CSE: CYBT), and with other ventures across applied AI, digital health, and biotech.

Scryb's core assets are summarized as follow:

- Cybeats is an innovative cybersecurity company in supply chain cybersecurity. Cybeats has done a tremendous job in bringing multiple Fortune 500 and government customers is actively scaling its revenue and customer base. Scryb maintains an approximately 51% ownership in the publicly listed company with Cybeats recording over $510,000 in three months revenue in their third quarter financials.
- Fionet Rapid Response ("FRR") is a privately incorporated company in a joint venture arrangement between Scryb and Fio Corp. that is a mobile IT/Data platform for decentralized healthcare testing and patient management. FRR has obtained and completed implementation of its first national project in Rwanda and is actively negotiating other national opportunities in Africa. Subsequent to year end completed a transaction to sell its interest in FRR for proceeds of $3.5 million CAD with a 3% royalty interest on all net revenue earned by FRR until December 31, 2025.
- Glow LifeTech Corp.("Glow") is a biotechnology company that specializes in producing enhanced nutraceutical and cannabinoid-based products. Scryb supported Glow in its go-public listing In March 2021 via a reverse takeover transaction. Glow has eleven commercially active products with listings in two provinces with growing sales. Glow recorded over $227,000 in three months revenue in their third quarter financials. Scryb maintains a minority investment in Glow.
- Scryb has launched a new AI Governance platform; Raidian, to enhance AI safety and trustworthiness for enterprises that are managing multiple AI systems and provide management tools for compliance with impending AI regulation.

CEO Appointment

Subsequent to the year ended and following news of the Raidian technology deployment, Yoav Raiter stepped down from Scryb Inc. as CEO and from its Board of Directors to focus his efforts on the Raidian opportunity. Raidian is positioned to provide enterprises with tools to meet regulations like the EU AI Act and NIST guidelines, ensuring compliant and secure AI operations.

James Van Staveren has been appointed the interim CEO of Scryb Inc., effective December 8, 2024. Mr. Van Staveren has been part of the management team at Scryb for several years, and has substantial experience with corporate development, capital markets and investor relations.

Results of Operations

Overview

Cybeats evolved from an early-stage technology company into a high-growth cybersecurity company. The Company expects that as the market continues to take notice of Cybeats' and its successes, that Cybeats will have substantial impact on Scryb's shareholder value.

During the quarter ended September 30, 2024, Cybeats expanded the commercial operations and increased its go to market initiatives and capabilities. Cybeats expanded its sales and marketing capabilities, enlisting of industry leaders, adding key opinion leaders and growing its commercial channel partnerships.

Cybeats Technologies Corp.

In May 2021, United States President Joe Biden outlined a policy making cybersecurity a top priority and essential that the Federal Government lead by example for all Federal Information Systems to exceed the standards and requirements set forth by the order. The order's primary mandate is to enhance the integrity of software supply chains by requiring a Software Bill of Materials (SBOM); a solution that is already at the core of Cybeats' SBOM Studio. Since the Executive Order government agencies around the world have began adopting the SBOM standard to mitigate the software supply chain risks such as the FDA (Food & Drug Administration) Federal Mandate[1] with other Western governments looking to follow the United States lead. The Whitehouse further solidified its stance on SBOMs as on July 13, 2023, it included SBOMs as one of the five pillars in the new U.S. National Cybersecurity Strategy Implementation Plan.

SBOM Studio Product Background

To remain competitive in today's market, organizations rely on previously developed software or proprietary third-party software components known as "open-source software" (OSS) to meet the demands of frequent software releases in a cost-effective and timely manner. In fact, 99% all software today contains open-source components.

The use of OSS carries inherent risks with studies showing that 75% of open-source software contains vulnerabilities that pose cybersecurity threats. With the widespread use of OSS in modern software development, it is crucial for organizations to have a system in place to manage and mitigate these risks.

The threat of cyberattacks that exploit vulnerabilities in open-source software (OSS) is increasing rapidly, with a growth rate of 700% per year. Many organizations may not be aware that they are using OSS, making it crucial for them to take steps to protect themselves against these threats. The log4j and SolarWinds events serve as examples of the potential damage caused by attacks that exploit OSS vulnerabilities, affecting 18,000

[1] https://www.fda.gov/regulatory-information/search-fda-guidance-documents/cybersecurity-medical-devices-quality-system-considerations-and-content-premarket-submissions

customers including government agencies and critical infrastructure providers. To mitigate OSS risks, creating and continuously monitoring a Software Bill of Materials (SBOM) is becoming a must.

Commercial Contracts and Engagements

Nature of Commercial Contracts

For large enterprise customers there is typically a paid or unpaid trial deployment to test the SBOM Studio. These customers complete the trial commercial deployment and sign multi year contracts that range from 2-4 years. As SBOM Studio integrates with the multiple divisions of the customer's company there is typically a ramp up in usage and users/seats for the SBOM Studio. This ramp up leads to an increase in the revenue per client over the life of the contract.

Cybeats deploys the following framework for the commercial engagement pipeline and related opportunities:

(i) Trial Deployments at zero cost:

Currently Cybeats has trial deployments in a variety of industries.

(ii) Paid Software Evaluation Licenses:

Cybeats is currently in various stages of discussion with potential customers in multiple industries to have a paid software evaluation period.

(iii) Commercial Licenses to Enterprise Product Suites:

As is industry standard for Software-as-a-Service businesses, commercial licenses for enterprise product suites are recognized over the life of the contract. These contracts also can be expanded through additional usage charges or product features for additional cost.

As at September 30, 2024 Cybeats has closed on several multi-year six and seven figure enterprise engagements. Cybeats has clients in multiple industry verticals noted below:

Medical Device and Technology Companies

- Global Medical Device Manufacturer
- Multinational Healthcare Conglomerate
- American Multinational Medical technology company
- Starfish Medical, a contract medical technology engineering firm
- Global Leader in Medical Technologies
- Multinational Company in the healthcare sector
- American healthcare technology company that develops medical devices, software, and clinical support AI

Cybeats has commercial contracts with three of the top seven (by revenue) Medical Device Manufacturers globally.

Industrial Control System (ICS) Companies

- Schneider Electric SE, a digital automation and energy management company
- Global Technology Leader in 'Smart Buildings' and building security equipment
- International Industrial Automation Company
- Rockwell Automation, provider of industrial automation and digital transformation technologies

Cybeats has commercial contracts with three of the top seven (by revenue) Industrial Control System Companies globally.

Other Companies

- Bullish Global, a regulated cryptocurrency exchange
- U.S electrical grid technology provider
- Top three EU telecom provider
- Multinational water technology company
- U.S. intelligence agency
- U.S. Federal Defense Organization

Marketing activities are designed to identify prospects with buying intent based on the response to certain calls-to-action in direct marketing programs. Qualified sales leads with purchase intent are routed to the business development team for one-on-one follow-up and opportunity identification.

Cybeats reported an 83% monthly recurring revenue (MRR) growth for 2024 with over 148% net revenue retention for Cybeats SBOM Studio.

(iv) Partnership Programs:

Currently Cybeats has multiple partnerships that include:

- Partnership with Health Information Sharing and Analysis Center ("Health-ISAC") a global organization focused on enhancing cyber and physical security in the healthcare industry. Cybeats and Health-ISAC will go to market with a joint Software Bill of Materials ("SBOM") management solution targeting Medical Device Manufacturers (MDMs) and Healthcare Delivery Organizations (HDOs).
- Device Authority, a company that provides end to end compliance and operational effectiveness to IoT devices
- Large American cybersecurity company as part of its technology partnership alliance
- Next Generation Manufacturing Canada (Ngen) to further its relationship development with Canada's leading manufacturing companies
- Large American endpoint and security management cybersecurity company as part of its technology partnership alliance
- International network cybersecurity company as part of its technology partnership alliance

BCA Marketplace – Cybeats has the below vendors:

- CodeSecure a leading Binary Analysis tool used for SBOM generation

(v) Resellers:

Cybeats is pursuing partnerships and resellers that are trained and equipped to market and sell its products and services, or that have typically been focused on serving a single country where Cybeats does not have a direct sales force. In some instances, resellers will collaborate with the direct sales team on larger scale strategic opportunities in a joint selling model. In all instances that resellers are used to actively market and sell our products and services, Cybeats remains responsible for the delivery of our products to the customer and oversee establishing pricing. We recognize products and services sold through resellers will be sold at wholesale prices and will be recognized in revenue in a similar manner to those sold by Cybeats direct sales channel.

Glow LifeTech Corp.

Glow LifeTech was formerly a subsidiary of Scryb and was spun out into its own public company through an RTO transaction on March 15, 2021. Scryb played a critical role in the go public transaction. Scryb maintains an approximate 10% of Glow LifeTech Corp., a publicly traded company on the CSE under the symbol "GLOW". Scryb continues to provide limited management guidance to Glow. Glow LifeTech is a Canadian-based biotechnology company focused on producing nutraceutical and cannabinoid-based products with dramatically enhanced bioavailability, absorption, and effectiveness. Glow has rights to the innovative, plant-based MyCell™ Technology delivery system, which transforms poorly absorbed natural compounds into enhanced water-compatible concentrates, unlocking the full healing potential of natural active compounds.

Glow launched two cannabis consumer brands in Canada, *MOD* and *.decimal*, with both featuring Glow's portfolio of proprietary liquid and powder cannabis ingredient technologies. MOD is a brand of naturally flavoured water-soluble drops and *.decimal* is a brand of precision-dosed, fast-acting capsules.

Raidian

The new AI product will provide organizations with proactive tools for compliance with AI regulation, such as those from NIST[2] and very recently, the EU AI Act[3]. Raidian's product will also improve the safety and trustworthiness, as well as the evaluation, development, and implementation of all AI products and solutions at an organization. This advancement comes at a pivotal time when the utility of AI systems is becoming increasingly significant worldwide. This product anticipates the global trend of increasing AI adoption and the impending need for effective management solutions.

[2] Artificial Intelligence Risk Management Framework (AI RMF 1.0) (nist.gov)
[3] EU lawmakers ratify political deal on artificial intelligence rules | Reuters

Selected Annual Information

The following table sets forth selected financial information for Scryb Inc. for the three and twelve months ended September 30, 2024. This information has been derived from the Company's financial statements for the years and should be read in conjunction with the financial statements and notes thereto.

	For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the twelve months ended September 30, 2024	For the twelve months ended September 30, 2023
Revenues	380,747	782,269	1,842,579	1,570,204
Expenses	2,843,717	4,212,430	14,791,867	21,202,943
Gain (Loss) for the period	(3,215,755)	(3,846,633)	(13,999,708)	(28,195,808)
Gain (Loss) per share	(0.01)	(0.02)	(0.04)	(0.08)
Total assets	8,804,673	12,045,959	8,804,673	12,045,959
Total liabilities	10,508,281	5,177,857	10,508,281	5,177,857
Working capital	(5,958,334)	(1,733,389)	(5,958,334)	(1,733,389)

The following table sets forth selected financial information for Scryb Inc. for the years ended September 30, 2024, 2023, and 2022. This information has been derived from the Company's financial statements for the periods indicated and should be read in conjunction with audited financial statements and the notes thereto.

	Twelve Months Ended 30-Sep-24	Twelve Months Ended 30-Sep-23	Twelve Months Ended 30-Sep-22
Loss before non-operating income	$ 12,949,288	$ 19,632,739	$ 11,144,009
Loss before income taxes	13,999,708	28,195,808	11,144,009
Loss per common share, basic and diluted	(0.04)	(0.08)	0.05
Net and comprehensive loss	13,999,708	28,195,808	11,144,009
Net Loss per Common Share, Basic and Diluted	(0.04)	(0.08)	0.05
Weighted average number of shares outstanding	268,605,208	248,111,312	240,051,037
Total assets	8,804,673	12,045,959	11,218,380
Net working capital	(5,958,334)	(1,733,389)	2,287,760

For the three months ended September 30, 2024, and 2023

The schedule below presents the three-month statement of earnings with a net loss of $3,048,217 (September 30, 2023 – loss of $3,846,633). |These numbers include the revenues and expenses of Cybeats Technologies Corp.

	September 30, 2024	September 30, 2023	Variance
Revenues			
Product Sales	492,660	409,050	83,610
Royalties and management fees	(122,309)	281,150	(403,459)
Other revenue	10,396	92,069	(81,674)
	380,747	**782,269**	**(401,523)**
Expenses			
Accretion	124,013	-	124,013
Advertising and promotion	105,706	643,388	(537,682)
Amortization expense	427,304	431,303	(4,000)
Consulting and management fees	504,051	(14,940)	518,991
Depreciation	50,660	27,213	23,446
Foreign currency loss (gain)	4,490	32,025	(27,536)
Insurance expenses	18,300	16,984	1,316
Interest and accretion	26,792	278,372	(251,581)
Office, general and administrative	26,634	89,427	(62,792)
Product research and development costs	746,558	395,766	350,792
Professional fees	(69,066)	115,347	(184,413)
Salaries and benefits	1,759,503	1,529,255	230,248
Sales commissions	-	30,206	(30,206)
Non-cash - Share-based compensation	(917,352)	631,241	(1,548,594)
Shareholder communications and marketing	3,425	33,409	(29,984)
Transfer agent and filing fees	32,701	(26,569)	59,269
	2,843,717	**4,212,430**	**(1,368,712)**
Net loss from Operations	**(2,462,970)**	**(3,430,160)**	**967,190**
Non-cash - Loss (gain) in investment in associate	(79,873)	416,473	(496,346)
Non-cash - Reverse takeover costs	-	-	-
Non-cash - Debt forgiveness	(163,085)	-	(163,085)
Non-cash - Settlement	437,000	-	437,000
Non-cash - Write off receivables	558,743	-	558,743
Net Income (Loss) and Comprehensive Income (Loss)	**(3,215,755)**	**(3,846,633)**	**630,878**

- Product sales increased as a result of the significant expansion of the Cybeats SBOM Studio product with new commercial contracts outlined in the "Commercial Contracts and Engagements" section above.
- Royalties' revenue comprises of royalties from the Fionet JV which decreased as a result of the write off of royalty revenue in the current period.
- Other revenue decreased as revenues generated from management services provided to FRR decreased. This was due to the increased independence of FRR.
- Accretion represents the periodic expense recognizing the updated present value of the convertible debenture issued earlier in the year.
- Advertising and promotion decreased as a result of the higher costs in the prior year due to the go-public initiative.

- Consulting and management fees increased in the current period due to the need for consultants on the new AI platform, some of which have moved from being salaried staff. There was also a reclassification of expenses in the prior year.
- Depreciation expense increased as a result of more office space being rented for Cybeats Technologies Corp.
- Insurance expenses experienced a slight increase in costs due to higher premiums upon renewal when compared to the same period in the prior year.
- Interest expense decreased due to a reclassification of expenses in the current year compared to the prior year.
- Office and general expenses decreased as a result of an improved operational efficiency in overall operational resources coupled with a reduction in resources required to sustain fewer full-time staff.
- Product research and development costs increased as a result of Cybeats new product offerings of Binary Composition Analysis Marketplace and SBOM Consumer along with Scryb's development its new AI governance platform Raidian.
- Certain professional fees incurred in the current period were capitalized and reclassed to share issuance costs as they are reflective of the costs associated with the convertible debenture.
- Share-based compensation decreased as a result of option cancellations in the current quarter compared to the prior year.
- Shareholder communications and marketing decreased due to lower costs related to investor relations which was incurred in the prior year with the go-public initiative.
- Transfer and filing fees were higher in the prior year due to filing requirements associated with taking Cybeats public.
- Unrealized loss on investment in associate relates to Scryb's proportional ownership in Fionet Rapid Response Group. This unrealized loss was Scryb's proportional share of FRR's loss.
- Debt forgiveness amounts in the current year relates to certain suppliers agreeing to cancel or waive long term outstanding balances.
- Settlement represents the settlement of amounts owing to former employees of the Company upon separation.

For the twelve months ended September 30, 2024, and 2023

The schedule below presents the twelve-month statement of earnings with a loss of $13,999,708 (September 30, 2023 – loss of $28,195,808). These numbers include the revenues and expenses of Cybeats Technologies Corp.

	September 30, 2024	September 30, 2023	Variance
Revenues			
Product Sales	1,785,386	921,039	864,347
Royalties and management fees	16,563	540,410	(523,847)
Other revenue	40,630	108,755	(68,125)
	1,842,579	**1,570,204**	**272,375**
Expenses			
Accretion	124,013	-	124,013
Advertising and promotion	2,079,126	1,651,360	427,766
Amortization expense	1,464,822	1,468,831	(4,009)
Consulting and management fees	853,795	1,717,944	(864,149)
Depreciation	204,051	212,441	(8,390)
Foreign currency loss (gain)	24,845	33,232	(8,387)
Insurance expenses	77,299	66,607	10,692
Interest and accretion	416,627	443,383	(26,757)
Office, general and administrative	174,910	631,372	(456,462)
Product research and development costs	1,284,087	1,190,527	93,560
Professional fees	241,299	401,790	(160,491)
Salaries and benefits	6,230,123	7,647,343	(1,417,220)
Sales commissions	-	174,957	(174,957)
Non-cash - Share-based compensation	1,483,326	5,320,233	(3,836,907)
Shareholder communications and marketing	32,689	86,260	(53,571)
Transfer agent and filing fees	100,855	156,662	(55,807)
	14,791,867	**21,202,943**	**(6,411,076)**
Net loss from Operations	**(12,949,288)**	**(19,632,739)**	**6,683,451**
Non-cash - Loss (gain) in investment in associate	217,762	827,609	(609,847)
Non-cash - Reverse takeover costs	-	7,523,240	(7,523,240)
Non-cash - Debt forgiveness	(163,085)	-	(163,085)
Non-cash - Settlement	437,000	-	437,000
Non-cash - Write off receivables	558,743	212,220	346,523
Net Income (Loss) and Comprehensive Income (Loss)	**(13,999,708)**	**(28,195,808)**	**14,196,100**

- Product sales increased as a result of the significant expansion of the Cybeats SBOM Studio product with new commercial contracts outlined in the "Commercial Contracts and Engagements" section above.
- Royalties' revenue comprises of royalties from the Fionet JV which decreased as a result of the write off of royalty revenue in the current period.
- Other revenue decreased as revenues generated from management services provided to FRR decreased. This was due to the increased independence of FRR.
- Accretion represents the periodic expense recognizing the updated present value of the convertible debenture issued earlier in the year.
- Advertising and promotion increased throughout the year as a result of expenditures in promoting Cybeats brand as well as its product offering
- Consulting and management fees decreased as a result of the higher costs associated with the Cybeats go-public initiative in the same period last year.

- Insurance expenses experienced a slight increase in costs due to higher premiums upon renewal when compared to the same period in the prior year.
- Office and general expenses decreased as a result of an improved operational efficiency in overall operational resources coupled with a reduction in resources required to sustain fewer full-time staff.
- Product research and development costs increased as a result of Cybeats new product offerings of Binary Composition Analysis Marketplace and SBOM Consumer.
- Professional fees are associated with the private placement offerings in the current period, while the prior period had higher fees associated with go-public initiative.
- Salaries and benefits decreased throughout the year as there was an overall reduction in full time staff when compared to the prior year. This was also coupled with some full time staff moving to consulting work with the new AI platform in the current year.
- Share-based compensation relates to the accounting cost of option grants. This amount decreased when compared to the prior year, as a bulk of options were granted in the prior year as part of the go-public transaction. This represents a non-cash item.
- Shareholder communications and marketing decreased due to lower costs related to investor relations which was incurred in the prior year with the go-public initiative.
- Transfer and filing fees were higher in the prior year due to filing requirements associated with taking Cybeats public.
- Unrealized loss on investment in associate relates to Scryb's proportional ownership in Fionet Rapid Response Group. This unrealized loss was a proportional share of FRR's loss.
- Debt forgiveness amounts in the current year relates to certain suppliers agreeing to cancel or waive long term outstanding balances.
- Settlement represents the settlement of amounts owing to former employees of the Company upon separation.

Summary of Quarterly Results

The following table is a summary of selected unaudited financial information for the eight most recent fiscal quarters.

Quarter ended	Income	Net income (loss)	Net income (loss) per share
September 30, 2024	380,747	(3,048,217)	(0.01)
June 30, 2024	485,657	(4,009,116)	(0.01)
March 31, 2024	492,750	(4,046,080)	(0.02)
December 31, 2023	483,425	(2,896,295)	(0.00)
September 30, 2023	782,269	(3,846,633)	(0.02)
June 30, 2023	39,164	(1,650,565)	(0.01)
March 31, 2023	109,631	(8,624,969)	(0.03)
December 31, 2022	639,140	(14,073,641)	(0.05)

The net loss was from an operating loss of Scryb and Cybeats Technologies Corp. The income came from revenues related to both the Company's joint venture (FRR) and Cybeats Technologies Corp. The income decreased from the prior quarter due to a write off of royalty revenues from FRR.

Funding & Liquidity

Scryb will require additional funding to fund its ongoing operations and growth. The majority of financing of current operations is achieved by issuing share capital. Scryb also has opportunities to partially divest some of its investments.

Related Party Transactions

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company’s Board of Directors, Corporate Officers and Vice Presidents.

Off-Balance Sheet Arrangements

The Company has not entered into any off-balance sheet arrangements, other than previously disclosed, that has, or is reasonably likely to have, an impact on the current or future results of operations or the financial condition of our company.

Critical Accounting Policies and Estimates

The preparation of these consolidated financial statements in conformity with IFRS requires that management make estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the consolidated financial statements. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

i) **Critical accounting estimates**

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and are, but are not limited to, the following:

Share based payments and warrants

The fair value of stock options and warrants issued are subject to the limitation of the Black Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

Useful life of intangible assets

Management has exercised their judgment in determining the useful life of its patents, patent applications and software license. The estimate is based on the expected period of benefit of the patent and the expected life of the product in the marketplace.

ii) **Critical accounting judgments**

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are, but are not limited to, the following:

Evaluation of going concern

The preparation of the financial statements requires management to make judgments regarding the going concern of the Company.

Impairment of intangible assets

Management has exercised their judgment in determining if the intangible assets are impaired. The judgment is based on management's ability to assess indicators of impairment.

Income taxes

Management has exercised their judgment in determining the provision for future income taxes. The judgment is based on the Company's current understanding of the tax law as it relates to the transactions and activities entered into by the Company.

Control

The Company uses judgement when assessing if the Company controls an investee, which includes the assessment of whether it holds power over the relevant activities, is exposed to variable returns and has the ability to use that power to affect those variable returns.

Research vs. Development Stage

The Company uses judgement when assessing if the Company has achieved development stage activities with its internally generated intangible assets.

Risks and Uncertainties

History of Losses – The Company has been in a cumulative net loss position throughout its operating history. The Company's limited operating history makes it difficult to evaluate the future financial prospects of its business. There is no assurance that the Company will grow or be profitable or that the Company will have earnings or significant improvement in its cash flow from operations in the future. The future earnings on and cash flow from operations are dependent on the Company's ability to further develop and sell its products and the Company's operational expenses. Management expects that the Company will continue to have high levels of operating expenses, since the Company needs to make significant up-front expenditures for product development, and corporate development activities. Management anticipates that the operating losses for the Company may continue until such time as the Company consistently generates sufficient revenues to support operations.

Need for Additional Financing - The implementation of the Company's business plan requires significant capital outlays and operating expenditures over the next several years. There can be no assurance that additional financing will be available to the Company when needed, on commercially reasonable terms, or at all. Any inability to obtain additional financing when needed would have a material adverse effect on the Company. Further, any additional equity financing may involve substantial dilution to the Company's then existing shareholders. Debt financing, if available, may involve onerous obligations, monetary or otherwise. If adequate funds are not available, the Company may obtain funds through arrangements with strategic partners or others who may require the Company to relinquish rights to certain technologies, any of which could adversely affect its business, financial condition and results of operations.

Product Risks

Uncertain Demand for Products - Demand for technologies is dependent on a number of social, political and economic factors that are beyond the control of the Company. The technology industry is likely to continue to change as the public and government will alter regulation and demand for the products. While the Company believes that demand for technological solutions will continue to grow, there is no assurance that such demand will exist or that the Companies products will be purchased to satisfy that demand.

Dependence on Development of New Products - New technological or product developments in the technology industry may render the Company's products obsolete or reduce their value. The Company's future prospects are highly dependent on its ability to develop new products - from new technologies and achieve market acceptance. There can be no assurance that the Company will be successful in these efforts.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents. The Company has reduced its credit risk by investing its cash equivalents with Canadian chartered banks.

Disclosure Controls and Procedures & Internal Controls over Financial Reporting

In accordance with the Canadian Securities Administrators National Instrument 52-109 ("NI 52-109"), Certification of Disclosure in Issuers' Annual and Interim Filings, the Company has filed certificates signed by the Chief Executive Officer and the Chief Financial Officer that, among other things, report on the design and effectiveness of disclosure controls and procedures and the design and effectiveness of internal controls over financial reporting.

The Company continues to review and document its disclosure controls and procedures and internal controls over financial reporting and may, from time to time, make changes aimed at enhancing their effectiveness and to ensure that its systems evolve with the business. There were no changes in the Company's internal controls over financial reporting during the period ended September 30, 2024, that have materially affected, or are reasonably likely to materially affect, its disclosure controls and procedures and internal controls over financial reporting.

Share Data

As at September 30, 2024, there were 291,157,472 common shares issued and outstanding, 41,851,000 warrants, and 30,735,000 options outstanding.

As at January 28, 2025, there were 320,853,472 common shares issued and outstanding, 71,547,000 warrants, and 30,735,000 options outstanding.

"James Van Staveren"

Chief Executive Officer

January 28, 2025