Nubeva Technologies Ltd.

Consolidated Financial Statements

For the Years Ended April 30, 2025 and 2024

dmcl.ca

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Auditor's Report

To the Shareholders of Nubeva Technologies Ltd.

Opinion

We have audited the consolidated financial statements of Nubeva Technologies Ltd. (the "Company"), which comprise the consolidated statements of financial position as at April 30, 2025 and 2024, and the consolidated statements of comprehensive income and loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which indicates that the Company incurred a net loss of $641,636 during the year ended April 30, 2025 and, as of that date, the Company's current assets exceeded its current liabilities by $3,240,604 and had an accumulated deficit of $18,229,332. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters, that in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Steven Reichert.

Yours truly,

DMCL.

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

August 28, 2025

Nubeva Technologies Ltd.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As of April 30, 2025 and 2024

(Expressed in United States dollars)

	Notes	April 30, 2025	April 30, 2024
Assets			
Current assets:			
Cash and cash equivalents	6	$ 3,089,478	$ 3,639,766
Accounts receivable	7	95,578	211,836
Tax credit receivable	8	369,284	507,812
Prepaid expenses and deposits	9	78,432	82,231
Total current assets		3,632,772	4,441,645
Equipment	10	9,257	5,966
Total Assets		**$ 3,642,029**	**$ 4,447,611**
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	11,13	$ 115,685	$ 142,896
Income tax payable	16	-	203,303
Current portion of term loans payable	14	2,508	6,211
Deferred revenue	12	273,975	243,032
Total current liabilities		392,168	595,442
Term loans payable	14	11,883	29,586
Total Liabilities		**404,051**	**625,028**
Shareholders' Equity			
Common share capital	15	19,311,030	19,286,071
Reserves	15	2,315,979	2,485,555
Deficit		(18,229,332)	(17,785,035)
Accumulated other comprehensive loss		(159,699)	(164,008)
Total Shareholders' Equity		**3,237,978**	**3,822,583**
Total Liabilities and Shareholders' Equity		**$ 3,642,029**	**$ 4,447,611**

Subsequent Event – Note 22

Approved by the directors:

"Randy Chou" "Francis Chan"

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

Nubeva Technologies Ltd.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME AND LOSS

(Expressed in United States dollars)

	Notes	Year Ended April 30, 2025	2024
Revenue	18	$ 530,616	$ 1,788,983
Operating expenses:			
General and administrative	13,17	830,598	848,471
Research and development	13,17	556,705	1,293,544
Sales and marketing	17	16,809	714,525
Share-based compensation	13,15	40,339	204,794
Total expenses		1,444,451	3,061,334
Other Items			
Bad debt expense		-	(3,397)
Interest and other income	6,20	151,599	176,553
Accretion and interest accrued	14,16	(42,401)	(30,274)
Gain on sale of TLS technology	19	-	1,000,000
Foreign exchange gain (loss)		(32,646)	11,632
Government assistance	3,8	191,201	269,558
Gain on investment		175	221
Net income (loss) before income tax		**(645,907)**	**151,942**
Income tax recovery (expense)	16	4,271	(153,300)
Net loss for the year		(641,636)	(1,358)
Other comprehensive loss, item that may be recycled through profit and loss			
Foreign currency translation adjustment		4,309	(43,409)
Total comprehensive loss for the year		**$ (637,327)**	**$ (44,767)**
Loss per share - basic and dliuted		**$ (0.01)**	**$ (0.00)**
Weighted average number of common shares outstanding		**70,144,491**	**68,742,991**

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

Nubeva Technologies Ltd.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the Years Ended April 30, 2025, and 2024

(Expressed in United States dollars)

		Share capital		Reserves					
	Note	Common Shares	Amount	Share Based Payment Reserve	Restricted Share Units (RSUs)	Warrants Reserve	Deficit	Accumulated Other Comprehensive Loss	Total
Balance as at April 30, 2023		**68,146,425**	**$ 19,052,849**	**$ $ 2,171,410**	**$ -**	**$ 966,042**	**$ (18,519,174)**	**$ (120,599)**	**$ 3,550,528**
Share-based compensation	15	-	-	197,311	7,483	-	-	-	204,794
Options exercised	15	1,883,191	225,739	(113,711)	-	-	-	-	112,028
Forfeited/cancelled options	15	-	-	(735,497)	-	-	735,497	-	-
Shares issued on vested RSUs		19,377	7,483	-	(7,483)	-	-	-	-
Foreign currency translation		-	-	-	-	-	-	(43,409)	(43,409)
Net loss for the year		-	-	-	-	-	(1,358)	-	(1,358)
Balance as at April 30, 2024		**70,048,993**	**$ 19,286,071**	**$ $ 1,519,513**	**$ -**	**$ 966,042**	**$ (17,785,035)**	**$ (164,008)**	**$ 3,822,583**
Share-based compensation	15	-	-	40,339	-	-	-	-	40,339
Options exercised	15	124,790	24,959	(12,576)	-	-	-	-	12,383
Forfeited/cancelled options	15	-	-	(197,339)	-	-	197,339	-	-
Foreign currency translation		-	-	-	-	-	-	4,309	4,309
Net loss for the year		-	-	-	-	-	(641,636)	-	(641,636)
Balance as at April 30, 2025		**70,173,783**	**$ 19,311,030**	**$ $ 1,349,937**	**$ -**	**$ 966,042**	**$ (18,229,332)**	**$ (159,699)**	**$ 3,237,978**

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

Nubeva Technologies Ltd.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in United States dollars)

	Year Ended April 30,	
	2025	**2024**
Operating activities		
Net loss for the year	$ (641,636)	$ (1,358)
Items not involving cash:		
Share-based compensation	40,339	204,794
Accretion and interest accrued	3,305	8,486
Bad debt expense	-	3,397
Depreciation	3,144	1,845
Loan adjustment	-	7,275
Disposal of equipment	-	1,186
Changes in non-cash working capital items related to operations:		
Accounts receivable	116,258	(135,963)
Prepaid expenses	3,799	13,253
Tax credit receivable	143,789	(268,778)
Accounts payable and accrued liabilities	(27,211)	(80,978)
Income tax payable	(203,303)	103,303
Deferred revenue	30,943	82,295
Cash used in operating activities	(530,573)	(61,243)
Investing activities:		
Equipment	(6,494)	(2,589)
Cash used in investing activities	(6,494)	(2,589)
Financing activities:		
Term loans repayment	(24,711)	(9,972)
Options exercised	12,383	112,028
Cash provided by (used in) financing activities	(12,328)	102,056
Effect of foreign exchange on cash	(893)	(21,498)
Net increase (decrease) in cash during the year	(550,288)	16,726
Cash and money market investments, beginning of the year	3,639,766	3,623,040
Cash and money market investments, end of the year	$ 3,089,478	$ 3,639,766

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

1. NATURE OF OPERATIONS

Nubeva Technologies Ltd. ("the Company" or "Nubeva") was incorporated under the provisions of The Business Corporations Act (British Columbia) on February 3, 2017. The Company was a Capital Pool Company and had no business operations prior to February 28, 2018. The Company's shares trade on the TSX Venture Exchange ("TSX-V") under the trading symbol "NBVA" and on the OTCPK Venture Market with the trading symbol "NBVAF." The Company's registered and records office are located at Suite 401, 750 West Pender Street, Vancouver, BC, V6C 2T7.

Nubeva is in the business of developing and licensing software-based decryption solutions, including Ransomware Reversal.

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company recognized a net loss for the year ended April 30, 2025, of $641,636. As at April 30, 2025, the Company's current assets exceeded its current liabilities by $3,240,604. Since inception, the Company has an accumulated deficit of $18,229,332. Management estimates that its working capital position will provide the Company with sufficient financial resources to carry out planned operations through the next twelve months. Realization values may be substantially different from carrying values as shown and these consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material. The Company is dependent upon making sales or raising debt and equity financing to provide the funding necessary to meet its general operating expenses and will require additional financing to continue to develop and deploy its technology. The Company has primarily incurred losses since inception and expects to incur further losses in the development of its business. These factors indicate a material uncertainty which may cast significant doubt upon the Company's ability to continue as a going concern and, therefore, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

2. STATEMENT OF COMPLIANCE

Basis of Preparation

These consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IASB") and were authorized for issue by the Company's Board of Directors on August 28, 2025.

Basis of Consolidation

The Company's consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries:

Nubeva, Inc., registered in Delaware, USA; and
Nubeva Pty Ltd. registered in New South Wales, Australia

2. STATEMENT OF COMPLIANCE (CONTINUED)

Basis of Consolidation (continued)

A subsidiary is an entity (including special purpose entities) controlled by the Company, where control is achieved by the Company having the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. The financial statements are consolidated from the date on which control is obtained by the Company and are de-consolidated from the date that control ceases. All intercompany transactions and balances have been eliminated.

Basis of Measurement

These consolidated financial statements have been prepared on a historical cost basis, except for those assets and liabilities that are measured at fair value at the end of each reporting period. Additionally, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

3. MATERIAL ACCOUNTING POLICIES

a. Revenue Recognition

The Company primarily derives revenue from the provision of cloud-based decryption and security software and services, as well as professional services associated with customizing its products. Software revenue includes licenses derived from software and software services.

The Company generates revenue from several sources:

1. Software licenses. Revenue from software licenses with no further obligations to the Company are recognized upon transfer of the software.
2. Support and maintenance. Revenue from support and maintenance arrangements is recognized over the contract term, commencing when the software is available for use.
3. Subscriptions. Revenue from subscriptions to access the Company's software over a period of time, along with associated support, is generally recognized over the contractual period on a straight-line basis.
4. Multiple services. Contracts with customers that contain multiple services consisting of (I) software licenses (ii) subscriptions, (iii) support and maintenance, and (iv) professional and other services, with distinct elements are accounted for separately. The transaction price is allocated to the separate performance obligations on a relative stand-alone selling price ("SSP") basis. The Company determines SSP based on overall pricing objectives, taking into consideration the type of support and maintenance services and professional and other services, the geographical region of the customer and the number of users.

Foreseeable losses, if any, are recognized in the year or period in which the loss is determined. Payment due or received in advance of revenue recognition is recorded as deferred revenue.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

b. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

c. Equipment

Equipment is recognized at cost less accumulated depreciation. The cost includes expenditures that are directly attributable to the acquisition of the equipment. Where parts (components) of an item of equipment have different useful lives or for which different amortization rates are appropriate, they are accounted for as separate items of equipment. Estimates of residual values, methods and useful lives of all assets are assessed annually.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably.

Amortization is calculated on a declining balance method to write off the cost of the assets to their residual values over their estimated useful lives. The amortization rates applicable to each category of equipment are as follows:

Asset class	**Declining balance rates**
Computers	30%

d. Share-Based Payments

Black-Scholes Option Pricing Model

Share-based payments to employees are measured at the fair value of the instruments issued and recognized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received.

The fair value of options granted is measured at grant date, and each tranche is recognized using the graded vesting method over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes Option Pricing Model taking into account the terms and conditions upon which the options were granted. At each reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. The fair value of the options is charged to share-based compensation expense, with the offset credit to share-based payment reserve over the vesting period. If and when the stock options are exercised, the applicable amounts from share-based payment reserve are transferred to capital stock. When vested options are forfeited or are not exercised at the expiry date, the amount previously recognized in share-based payment reserve is transferred to deficit.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

d. Share-Based Payments (continued)

The Company estimates a forfeiture rate and adjusts the corresponding expense each period based on an updated forfeiture estimate. The Black-Scholes Option Pricing Model used by the Company to determine fair values of options and similar financial instruments requires the input of highly subjective assumptions including future stock volatility and expected time until exercise. Changes in the subjective input assumptions can materially affect the fair value estimate.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Monte Carlo valuation

Based on the terms of the July 26, 2022, option agreement for the grant of 6,000,000 options that have performance conditions, the first milestone, second milestone, and each of their respective extensions, the Company calculated the probability and number of options that would vest.

The Company used a Monte Carlo simulation using the same volatility and risk-free rate applied in the Black-Scholes Option Pricing Model and forecast on a daily basis the share price until the baseline maturity date to determine if any of the performance requirements are met. If the First or Second Extensions are met by the baseline maturity date, we further simulate the share price until the extension maturity date. Based on the share price activity of a significant number of iterations of the simulation, the Company determined the probability of vesting of the first and second milestones and applied the probabilities to the pre-vesting adjustment fair value.

Restricted Share Units

Restricted Share Units, (“RSUs”) are equity settled only. Compensation expense is recognized based on the share price of the Company’s common shares on the grant date multiplied by the number of RSUs expected to vest and recognized ratably over the vesting period, with a corresponding credit to shares based payment reserve. Adjustments to the number of RSUs expected to vest are recognized in the current year.

e. Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

The expense relating to any provision is presented in profit or loss net of any reimbursement. Provisions are discounted using a current risk-free pre-tax rate that reflects where appropriate the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

f. Current and Deferred Income Taxes

Income tax expense comprises current and deferred income taxes. Current and deferred income taxes are recognized in profit or loss except to the extent that they relate to a business combination or to items recognized directly in equity or in other comprehensive income.

Current income taxes are the expected taxes payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to taxes payable in respect of previous periods.

Deferred income taxes are recognized using the asset and liability method, on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. However, deferred income taxes are not recognized if they arise from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit nor loss. Deferred income taxes are determined using tax rates and laws that have been enacted or substantively enacted by reporting date and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Deferred income tax assets and liabilities are presented as non-current in the consolidated statement of financial position.

Deferred income tax assets and liabilities are offset if there is a legally enforceable right to offset current income tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously. Deferred income tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the assets can be utilized.

g. Foreign Currencies

The functional currency of each entity is measured using the currency of the primary economic environment in which that entity operates. The Company's functional currency is Canadian dollars and its reporting currency is United States dollars. The functional currency of the Company's subsidiary, Nubeva, Inc. is United States dollars, and of its Australian Subsidiary, Nubeva Pty Ltd., is Australian dollars.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in the consolidated statement of comprehensive income and loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

g. Foreign Currencies (continued)

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

Foreign operations

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Company and its Australian subsidiary are translated into United States dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity.

h. Earnings or Loss per Share

Basic earnings (loss) per share is calculated by dividing the net income (loss) for the period by the weighted average number of common shares outstanding during the period.

Diluted earnings per share is calculated using the treasury share method whereby all "in the money" options, warrants and equivalents are assumed to have been exercised at the beginning of the period and the proceeds from the exercise are assumed to have been used to purchase common shares at the average market price during the period.

i. Financial Instruments

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

(ii) Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

j. Financial Instruments (continued)

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of comprehensive income and loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of comprehensive income and loss in the period in which they arise.

(iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated statements of comprehensive income and loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(iv) Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

k. Government Grants and Assistance

The Company accounts for government grants under IAS 20, Accounting for Government Grants and Disclosure of Government Assistance.

The Company is eligible to receive tax credits from its eligible research and development expenditures. The Company records the anticipated tax credits as government assistance at such time that the amount of tax credits is estimable, and their receipt is reasonably assured. As of April 30, 2025, the Company has estimated tax credits receivable of $369,284 (2024 – $507,812).

4. ACCOUNTING STANDARDS AND AMENDMENTS ISSUED

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

Future accounting policy changes
In April 2024, the IASB issued IFRS 18, *Presentation and Disclosures in Financial Statements, to replace* IAS 1, *Presentation of Financial Statements,* effective January 1, 2027, with early adoption permitted. The new standard is aimed to set out overall requirements for presentation and disclosures in the financial statements. Management is reviewing the impact the standard will have on the consolidated financial statements.

In May 2024, the IASB issued amendments to IFRS 9, *Financial Instruments,* and IFRS 7, *Financial Instruments: Disclosures* to address the classification and measurement of financial instruments, with an emphasis to clarify the date of recognition and derecognition of financial asset and liabilities, effective January 1, 2026, with early adoption permitted. Management is reviewing the impact of these amendments, but they are not expected to have a material impact on the consolidated financial statements.

5. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment are the following:

(a) **Determination of functional currency**

The functional currency of each of the Company and its subsidiaries is the currency of the primary economic environment in which the entity operates. Determination of functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions which determine the primary economic environment.

(b) **Income taxes**

The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the financial statements.

(c) **Share-based payments**

The Company records all share-based compensation using the fair value method. The Company uses the Black-Scholes Option Pricing Model and Monte Carlo method to determine the fair value of share-based compensation. These estimates also require determining the most appropriate inputs to the valuation models. The main factor affecting the estimates of the fair value of stock options is the stock price, expected volatility used and the expected duration of the instrument. The Company currently estimates the expected volatility of its common shares based on the trading history of the Company taking into consideration the expected life of the options.

(Expressed in United States dollars)

5. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (CONTINUED)

(d) Revenue recognition

Management applies judgment in assessing whether certain deliverables in a customer arrangement should be included or excluded from the unit of account to which the contract accounting is applied. The judgment is typically related to software licenses, subscriptions, support and maintenance, and professional and other services and involves an assessment of whether the deliverable is a distinct performance obligation that provides a benefit to the customer that is not dependent upon other components of the arrangement.

(e) Allowances for doubtful accounts

The Company must make an assessment of whether trade receivables are collectible from customers. Accordingly, management establishes an allowance for estimated losses arising from non-payment, taking into consideration customer credit, current economic trends and past experience. If future collections differ from estimates, future earnings would be affected.

(f) Going Concern

Judgment is required in the determination that the Company will continue as a going concern for the next year.

6. CASH AND CASH EQUIVALENTS

		April 30, 2025		April 30, 2024
Cash	$	373,463	$	224,572
Money market funds		2,716,015		3,415,194
	$	**3,089,478**	**$**	**3,639,766**

See Note 20.

7. ACCOUNTS RECEIVABLE

		April 30, 2025		April 30, 2024
Trade receivable	$	43,800	$	217,730
Allowance for doubtful accounts		-		(15,500)
Taxes receivable		47,923		-
GST receivable		3,855		9,606
	$	**95,578**	**$**	**211,836**

As of April 30, 2025, 100% (April 30, 2024 - 97%) of the Company's trade receivable is current, and the Company recorded $Nil (April 30, 2024 - $15,500) as an allowance for doubtful account related to a certain customer account.

Three customers accounted for 62%, 27%, and 11% of the Company's trade receivable on April 30, 2025 (April 30, 2024 – one customer, 91%).

During the year ended April 30, 2025, the Company made installment payments of $47,923 (year ended April 30, 2024 - $Nil).

(Expressed in United States dollars)

8. TAX CREDIT RECEIVABLE

The Company is eligible to receive tax credits from its eligible research and development expenditures. The Company records the anticipated tax credits as government assistance at such time that the amount of tax credits is estimable, and their receipt is reasonably assured. As of April 30, 2025, the Company has estimated tax credits receivable of $369,284 (2024 – $507,812).

The Company engages in research and development activities. Research costs are expensed as incurred. Product development costs are expensed in the period incurred unless the costs meet the criteria for deferral and amortization.

Balance, April 30, 2023	$	261,073
Tax credit accrual		194,503
Foreign exchange		52,236
Balance, April 30, 2024	**$**	**507,812**
Tax credits received		(334,990)
Tax credit accrual		191,201
Foreign exchange		5,261
Balance, April 30, 2025	**$**	**369,284**

9. PREPAID EXPENSES AND DEPOSITS

		April 30, 2025		April 30, 2024
Deposit and prepaid office rent	$	3,300	$	3,348
Other		75,132		78,883
	$	**78,432**	**$**	**82,231**

10. EQUIPMENT

		Computers
Cost		
As at April 30, 2023	**$**	**8,886**
Additions		2,589
Disposal		(1,187)
As at April 30, 2024	**$**	**10,288**
Additions		6,494
As at April 30, 2025	**$**	**16,782**
Accumulated depreciation		
As at April 30, 2023	**$**	**2,477**
Amortization		1,845
As at April 30, 2024	**$**	**4,322**
Amortization		3,144
Foreign exchange		59
As at April 30, 2025	**$**	**7,525**
Net book value		
As at April 30, 2024	**$**	**5,966**
As at April 30, 2025	**$**	**9,257**

(Expressed in United States dollars)

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		April 30, 2025		April 30, 2024
Accounts payable (Note 13)	$	28,141	$	57,966
Accrued liabilities (Note 13)		87,544		84,930
	$	**115,685**	**$**	**142,896**

12. DEFERRED REVENUE

		April 30, 2025		April 30, 2024
Deferred revenue, beginning	$	243,032	$	160,737
Revenue recognized that was included in the contract liabilities		(243,032)		(160,737)
Unearned revenues received		273,975		243,032
	$	**273,975**	**$**	**243,032**

All deferred revenue outstanding at April 30, 2025, is expected to be recognized in revenue within one year.

13. RELATED PARTY TRANSACTIONS

Key management personnel include people having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. Key management personnel comprise of the members of the Company's Board of Directors, and corporate officers.

The following amounts, included in accounts payable and accrued liabilities (Note 11), are payable to related parties as of April 30, 2025 and 2024:

		April 30, 2025		April 30, 2024
Expenses incurred on behalf of Company	$	19	$	6,066
Consulting		4,970		6,882
	$	**4,989**	**$**	**12,948**

These amounts are unsecured, non-interest bearing, and have no fixed terms of repayment.

Key Management Compensation

The Company incurred the following expenses with directors, officers, and companies controlled by them, during the years ended April 30, 2025 and 2024:

		April 30, 2025		April 30, 2024
Salary	$	399,628	$	595,593
Consulting		129,041		145,505
Board services		107,604		135,373
Share-based compensation		9,678		152,587
	$	**645,951**	**$**	**1,029,058**

(Expressed in United States dollars)

14. TERM LOANS PAYABLE

On June 26, 2020, the Company received a loan in the amount of $42,700 under the Economic Injury Disaster Loan Program ("EIDL") administered by the U.S. Small Business Administration ("SBA"). The program provides working capital to small businesses suffering substantial economic injury as a result of the Coronavirus. The loan bears interest at a rate of 3.75% per annum and is repayable in monthly payments of principal and interest over 30 years commencing one year after the date the loan was advanced. The loan has been discounted at a market rate of interest of 20% and the discount of $32,484 was recorded as government assistance in the consolidated statement of comprehensive income and loss in fiscal year 2021.

On March 16, 2021, SBA extended the deferment period for all COVID-19 EIDL loans, and the first payment due date was extended from twelve months to twenty-four months from the date the loan was advanced.

On March 26, 2022, SBA announced an additional six months deferment to the first payment of the loan, which resulted in the first payment due thirty months from the date the loan was advanced. The loan was discounted on March 26, 2022, at a market rate of interest of 20%, and an additional $1,341 of government assistance was recognized in the consolidated statement of comprehensive income and loss in fiscal year 2022.

During the year ended April 30, 2025, accretion and interest of $3,235 (year ended April 30, 2024 - $3,225) have been recorded on the loans in the consolidated statement of comprehensive income and loss. Payments of $2,508 (year ended April 30, 2024 - $2,508) were made to reduce the loan during the year ended April 30, 2025.

On April 29, 2020, as part of the Canadian government funded COVID-19 financial assistance programs, the Company received a Canada Emergency Business Account ("CEBA") loan in the amount of $28,756 (CAD$40,000).

During the year ended April 30, 2024, the CEBA loan was adjusted by $7,275 for a forfeited discount and automatically converted to a loan from the Bank of Montreal ("BMO"). The BMO loan bears interest at 5% per annum and was due by December 31, 2026.

During the year ended April 30, 2025, accretion and interest of $70 (year ended April 30, 2024 - $5,261) have been recorded on the loans and are included in the consolidated statement of comprehensive income and loss. The Company paid $22,203 to extinguish (year ended April 30, 2024 - $7,464 to reduce) the loan during the year ended April 30, 2025.

Transactions for the years ended April 30, 2025 and 2024 are as follows:

Balance, April 30, 2023	$	**30,139**
Accretion and interest		8,486
Adjustment		7,275
Payments		(9,972)
Foreign exchange		(131)
Balance, April 30, 2024	$	**35,797**
Accretion and interest		3,305
Payments		(24,711)
Balance, April 30, 2025	$	**14,391**

(Expressed in United States dollars)

14. TERM LOANS PAYABLE (CONTINUED)

		April 30, 2025		April 30, 2024
Current portion	$	2,508	$	6,211
Long term portion		11,883		29,586
	$	**14,391**	**$**	**35,797**

15. SHARE CAPITAL AND RESERVES

(a) Authorized

- Unlimited common shares without par value; and
- Unlimited Restricted Voting Common Shares without par value. Restricted Voting Common Shares may be entitled to receive dividends as and when declared by the Board of Directors, only if the same dividend is declared or paid on the common shares. Restricted Voting Common Shares may be converted into common shares on a one-for-one basis without payment of additional consideration, at the option of the holder with consent of the Board of Directors, and at any time at the option of the Board of Directors.

(b) Issued share capital

At April 30, 2025, there were 70,173,783 (April 30, 2024 – 55,278,026) common shares issued and fully paid and Nil (April 30, 2024 – 14,770,967) Restricted Voting Common Shares issued and fully paid.

On June 21, 2024, 14,770,967 restricted voting common shares were converted into voting common shares on a one for one basis.

(c) Shares issued during the year

During the year ended April 30, 2025, the following shares were issued:

- 60,493 common shares pursuant to the exercise of options for proceeds of $12,383.
- 64,297 common shares pursuant to the cashless exercise of 77,419 options.

During the year ended April 30, 2024, the following shares were issued:

- 713,688 common shares pursuant to the exercise of options for proceeds of $112,028.
- 1,169,503 common shares pursuant to the cashless exercise of 1,656,006 options.
- 19,377 common shares pursuant to the conversion of RSUs with a fair value of $7,483.

(d) Share-based compensation

The Company has reserved 13,600,000 (April 30, 2024 - 13,600,000) common shares for issuance under all share compensation arrangements. The amended allocation of common shares reserved for equity compensation was as follows:

(i) 13,500,000 common shares reserved for issuance under the Company's Fixed Share Option Plan; and

(ii) 100,000 common shares reserved for issuance under the Company's Restricted Share Unit Plan.

(Expressed in United States dollars)

15. SHARE CAPITAL AND RESERVES (CONTINUED)

The following table summarizes the Company's outstanding equity compensation as at April 30, 2025, and 2024:

(i) Options

	April 30, 2025			April 30, 2024		
	Units	Weighted average exercise price (CAD $)	Weighted average remaining life (years)	Units	Weighted average exercise price (CAD $)	Weighted average remaining life (years)
Stock options	4,416,159	0.76	3.82	5,206,043	0.70	5.11

Options to purchase common shares may be granted to directors, consultants, officers and employees of the Company and its subsidiary for terms up to ten years at a price at least equal to the market price prevailing on the date of the grant.

The continuity of stock options for the years ended April 30, 2025 and 2024 is as follows:

	Number of Options	Weighted Average Exercise Price (CAD$)
Balance, April 30, 2023	13,015,842	0.78
Granted	200,000	1.00
Exercised	(2,369,694)	0.15
Forfeited/Cancelled	(5,640,105)	1.12
Balance, April 30, 2024	5,206,043	0.70
Granted	178,000	0.35
Exercised	(137,912)	0.15
Forfeited/Cancelled	(829,972)	0.44
Balance, April 30, 2025	4,416,159	0.76

Share-based compensation – Black-Scholes Option Pricing Model

During the year ended April 30, 2025, the Company granted 178,000 (April 30, 2024 – 200,000) stock options to consultants. The granted stock options were valued using the Black-Scholes Option Pricing Model. The fair value of the options granted was estimated to be CAD$21,218 (April 30, 2024 - CAD$18,289) using the assumptions below. The options granted during the year ended April 30, 2025, vest over periods of 1.33 to 2 years (April 30, 2024 – vested over 1 year) with exercise prices ranging from CAD$0.27 to CAD$0.37 (April 30, 2024 - CAD$1.00).

The weighted average share price on date of exercise was $0.15 (April 30, 2024 - $0.46).

(Expressed in United States dollars)

15. SHARE CAPITAL AND RESERVES (CONTINUED)

Share-based compensation – Black-Scholes Option Pricing Model (continued)

	Year ended April 30, 2025	Year ended April 30, 2024
Expected life of options	3.34 years	1 year
Annualized volatility	111.99%	84.38%
Risk-free interest rate	2.95%	5.26%
Dividend rate	-	-

During the year ended April 30, 2025, the Company received $12,383 (year ended April 30, 2024 - $112,208) from the exercise of 60,493 options (year ended April 30, 2024 – 1,883,191 options). The fair value of $9,729 (April 30, 2024 - $113,711) for the exercised options was transferred from share-based payments reserve to share capital.

An additional 64,297 common shares were issued pursuant to the cashless exercise of 77,419 options. The $2,847 fair value of the cashless exercised options was transferred to share capital from share-based payments reserve.

Of the options issued under the Black-Scholes Option Pricing Model 829,972 (April 30, 2024 – 1,465,105) stock options were cancelled or forfeited with exercise prices ranging from CAD$0.25 to CAD$0.68 (April 30, 2024 – CAD$0.25 to CAD$1.52) per share during the year ended April 30, 2025. The Company transferred the $197,339 (April 30, 2024 - $735,497) fair value of the cancelled or forfeited stock options from share-based payment reserve to the deficit.

Share-based compensation of $38,243 (year ended April 30, 2024 - $102,160) using the Black-Scholes Option Pricing Model (excluding the vested options using the Monte Carlo Method) was recorded on vested options during the year ended April 30, 2025. Share-based compensation expense during the year ended April 30, 2025, was reduced by $nil (2024 – $125,497) for $829,972 (2024 – 1,465,105) cancelled and forfeited options.

On July 26, 2022, the Company granted 6,000,000 incentive stock options to certain directors and officers of the Company with each option being exercisable into one common share in the capital of the Company. The options have an exercise price of CAD$1.15 and expire July 26, 2027, which are subject to extension to July 26, 2032, if and when the Company achieves certain milestones more particularly described below.

On June 13, 2023, the Company cancelled 175,000 of the CEO's 2,000,000 incentive stock options with an exercise price of CAD$1.15 per share.

On January 15, 2024, a former officer of the Company forfeited 2,000,000 of incentive stock options with an exercise price of CAD$1.15 per share.

15. SHARE CAPITAL AND RESERVES (CONTINUED)

Share-based compensation - Monte Carlo Method (continued)

On April 30, 2024, an additional 2,000,000 (April 30, 2023 – Nil) of the remaining 3,825,000 incentive stock options with an exercise price of CAD$1.15 per share were forfeited.

3,000,000 of the Options (the "First Tranche") vest only in the event the market capitalization of the Company meets or exceeds CAD$200,000,000 on average over a period of 20 consecutive trading days (the "First Milestone"). If on the expiry date the First Milestone is not achieved but the Company's market capitalization meets or exceeds CAD$150,000,000 on average for a period of 20 consecutive trading days in the preceding 12 months (the "First Extending Milestone"), then the expiry date for the First Tranche will extend automatically to the extended expiry.

3,000,000 of the Options (the "Second Tranche") vest only in the event the market capitalization of the Company meets or exceeds CAD$400,000,000 on average over a period of 20 consecutive trading days (the "Second Milestone"). If on the expiry date, the Second Milestone is not achieved but the Company's market capitalization meets or exceeds CAD$300,000,000 on average for a period of 20 consecutive trading days in the preceding 12 months (the "Second Extending Milestone"), then the expiry date for the Second Tranche will extend to the extended expiry.

The fair value of the 6,000,000 stock options of CAD$1,316,254 was calculated by way of a Monte Carlo simulation which utilized Geometric Brownian Motion to simulate share prices over the life of the stock options. During the year ended April 30, 2025, the Company recognized $2,096 (2024 - $220,648) of the share-based compensation. Estimates included in the Monte Carlo method simulation are as follows:

As at April 30, 2025 and 2024		**First Milestone (Stated in CAD $)**		**Second Milestone (Stated in CAD $)**
Stock price	$	1.13	$	1.13
Exercise price		1.15		1.15
Number of years to exercise		5		5
Compounded risk-free interest rate		2.82%		2.82%
Volatility		130%		130%
Value of conversion feature		0.975		0.975
Number of options outstanding		3,000,000		3,000,000
Fair value of options, pre-vesting adjustment		2,925,009		2,925,009
Probability of performance vesting		30%		15%
Fair value of options	$	877,503	$	438,751

(Expressed in United States dollars)

15. SHARE CAPITAL AND RESERVES (CONTINUED)

Details of options outstanding on April 30, 2025, are as follows:

Number of Options Outstanding	Expiry Date	Weighted Average Exercise Price (CAD$)	Weighted Average Remaining Life (Years)
129,677	24-Nov-26	0.05	1.57
38,710	15-Feb-27	0.05	1.80
30,968	19-Jun-27	0.05	2.14
1,825,000	26-Jul-27	1.15	2.24
100,000	30-Aug-27	0.75	2.33
30,000	19-Oct-27	0.69	2.47
148,000	01-Nov-27	0.37	2.51
95,834	03-Nov-27	0.68	2.51
20,000	18-Sep-29	0.10	4.39
30,000	26-Sep-29	0.27	4.41
72,518	23-Apr-30	0.08	4.98
1,610,452	28-Dec-30	0.45	5.67
100,000	24-Feb-31	0.42	5.82
75,000	18-Nov-31	0.81	6.56
25,000	10-Jan-32	2.07	6.70
75,000	28-Feb-32	1.55	6.84
10,000	06-Apr-32	1.32	6.94
4,416,159		0.76	3.82

At April 30, 2025, there were 2,516,234 (April 30, 2024 –3,113,601) stock options exercisable.

(i) RSUs

RSUs are equity settled only and may be granted to directors, consultants, officers, and employees of the Company. Compensation expense is recognized based on the share price of the Company's common shares on the grant date multiplied by the number of RSU's expected to vest and recognized ratably over the vesting period, with a corresponding credit to the share-based compensation reserve. Adjustments to the number of RSUs expected to vest are recognized in the current period.

There were no RSUs issued during the year ended April 30, 2025.

During the year ended April 30, 2024, the Company issued 19,377 RSUs to an employee pursuant to an RSU award agreement. The fair value of the equity awarded was $7,483 based on the fair value of the Company's common shares on the date of issuance. The 19,377 RSUs were converted to common shares on the same day.

There are no RSUs outstanding at April 30, 2025.

(Expressed in United States dollars)

15. SHARE CAPITAL AND RESERVES (CONTINUED)

(ii) Warrants

The continuity of warrants for the years ended April 30, 2025 and 2024, are as follows:

	Number of Warrants	Weighted Average Exercise Price (CAD$)
Balance, April 30, 2024 and 2023	2,486,072	1.51
Expired	(2,486,072)	1.51
Balance, April 30 2025	-	-

There are no warrants outstanding at April 30, 2025.

Expired warrants

On September 16, 2024, 327,500 warrants exercisable at CAD$1.25 expired unexercised.

On December 3, 2024, 1,250,000 warrants exercisable at CAD$1.05 expired unexercised.

On February 4, 2025, 908,572 warrants exercisable at CAD$2.25 expired unexercised.

(e) Reserves

The share-based payment reserve is comprised of items recognized as share-based compensation expense including RSU's and stock options. Upon exercise of options or vesting of RSU's the corresponding amount will be transferred from the reserve to share capital. In the event that share-based compensation is cancelled or expires unexercised, the corresponding amount is removed from the share-based payment reserve and credited to profit and loss.

The warrants reserve is comprised of the value of warrants issued as part of private placements. The value of warrants is transferred to share capital on the date they are exercised. The Company does not adjust the reserve for warrants that expire unexercised.

16. INCOME TAX

A reconciliation of the statutory tax rate to the effective rate for the Company is as follows:

		Year ended April 30, 2025		Year ended April 30, 2024
Statutory tax rate		27%		27%
Income (loss) before income tax	$	(645,907)	$	151,942
Expected income tax recovery		(174,395)		41,024
Non-deductible expenses and other		28,634		173,361
Effect of foreign tax rates and tax rate changes		(9,150)		(145,110)
True up of prior year provision		5,718		839,637
Effect of change in valuation allowance		144,922		(755,612)
Income tax expense	$	(4,271)	$	153,300

(Expressed in United States dollars)

16. INCOME TAX (CONTINUED)

Significant components of the Company's temporary difference as of April 30, 2025, and 2024 are as follows:

The provision for income taxes consists of the following:

		April 30, 2025		April 30, 2024
Current income taxes	$	(4,271)	$	153,300
Deferred income taxes		-		-
Total provision for income taxes	$	(4,271)	$	153,300

		April 30, 2025		April 30, 2024
Deferred income tax assets:				
Non-capital losses carry forward	$	3,257,098	$	3,109,737
Share issuance costs		309		2,749
Equipment		8,748		8,748
		3,266,155		3,121,234
Valuation allowance		(3,266,155)		(3,121,234)
	$	-	$	-

Canadian non-capital losses will expire in various years to 2045. Non-capital losses in Australia carry forward indefinitely. Non capital losses in the USA never expire but their utilization is limited to 80% of the taxable income in any future year. As of April 30, 2025, the Company has the following non-capital losses.

Year incurred		Canada		USA		Australia
2017		13,471		-		-
2018		156,302		2,036,627		107,229
2019		655,371		2,758,228		86,584
2020		234,427		2,463,698		97,008
2021		188,425		964,774		168,959
2022		697,405		1,828,057		191,816
2023		112,899		-		180,860
2024		348,163		-		312,487
2025		343,573		-		201,049
	$	2,750,036	$	10,051,384	$	1,345,992

During the year ended April 30, 2025 the Company paid $43,652 in income tax installment (year ended April 30, 2024 - $51,717).

Interest and penalties

During the year ended April 30, 2025 the Company paid $39,096 for interest and penalties on overdue taxes in United States.

(Expressed in United States dollars)

17. EXPENSES BY NATURE

For the year ended April 30, 2025:

		General and Administration		Research and Development		Sales and Marketing
Office expense and operations	$	580,825	$	88,072	$	16,809
Personnel		249,773		468,633		-
Totals	$	830,598	$	556,705	$	16,809

For the year ended April 30, 2024:

		General and Administration		Research and Development		Sales and Marketing
Office expense and operations	$	612,722		236,520	$	97,538
Personnel		235,749		1,057,024		616,987
Totals	$	848,471	$	1,293,544	$	714,525

18. REVENUE

		Year ended April 30, 2025		Year ended April 30, 2024
Software licenses and royalties	$	206,260	$	464,213
Support and maintenance		211,000		24,750
Subscriptions		113,356		1,300,020
Totals	$	530,616	$	1,788,983

The Company recognized revenues from contracts with customers in accordance with the following timing under IFRS 15:

		Year ended April 30, 2025		Year ended April 30, 2024
Recognized at a point in time	$	-	$	180,000
Recognized over the duration of contract		530,616		1,608,983
Totals	$	530,616	$	1,788,983

Revenues are recognized at the point in time the Company has provided services to customers. Subscriptions, royalties, and support and maintenance contracts extending over a period of time are recognized over the contractual period. Revenue from software licenses with no further obligations to the Company are recognized upon transfer of the software.

(Expressed in United States dollars)

18. REVENUE (CONTINUED)

During the years ended April 30, 2025 and 2024, the following revenue percentages represent customers who contributed the most significant revenue to the Company:

	April 30, 2025	April 30, 2024
Customer A	0%	64%
Customer B	45%	23%
Customer C	37%	0%

The Company's revenue is earned in Canada, the United Kingdom, and the United States.

19. SALE OF TLS TECHNOLOGY

On March 4, 2024, the Company completed the sale of its TLS Technology for $1,000,000. The Company will continue to support its existing customers and retains the right to receive revenue from those TLS agreements with existing customers only.

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Classification of Financial Instruments

Financial assets included in the consolidated statement of financial position are as follows:

	Level in fair value hierarchy		April 30, 2025		April 30, 2024
Fair value through profit and loss:					
Cash and money market instruments	Level 1	$	3,089,478	$	3,639,766
Amortized cost:					
Accounts receivable			95,578		211,836
Totals		$	3,185,056	$	3,851,602

Financial liabilities included in the consolidated statement of financial position are as follows:

		April 30, 2025		April 30, 2024
Amortized cost:				
Accounts payable and accrued liablities	$	115,685	$	142,896
Term loan payable		14,391		35,797
Totals	$	130,076	$	178,693

(Expressed in United States dollars)

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Fair Value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- 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 or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The carrying value of the Company's financial assets and liabilities classified as amortized cost as at April 30, 2025 and 2024 approximate their fair value due to their short terms to maturity.

The following is an analysis of the contractual maturities of the Company's financial liabilities as at April 30, 2025:

	Within 12 months	After 12 months
Accounts payable and accrued liablities	$ 115,685	$ -
Term loan payable	2,508	11,883
Totals	$ 118,193	$ 11,883

The Company is exposed in varying degrees to a variety of financial instrument-related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company attempts to manage liquidity risk by maintaining sufficient cash. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations. As at April 30, 2025, the Company had cash and cash equivalents of $3,089,478 (April 30, 2024 - $3,639,766) (Note 6) to settle current liabilities of $392,168 (April 30, 2024 - $595,442).

The Company estimates it has adequate working capital to continue operations for the next fiscal year. There is substantial uncertainty that the Company will be able to continue to meet its financial obligations as they come due if it cannot generate sales or raise additional capital, and there is no assurance that the Company will be able to raise sufficient capital or raise capital on terms advantageous to the Company.

Foreign Exchange Risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The functional currency of Nubeva is Canadian dollars, the functional currency of one operating subsidiary is the Australian dollar, and the functional currency of its other operating subsidiary is the United States dollar. At April 30, 2025, the Company held financial instruments in the aggregate amount of $18,080 (April 30, 2024 - $3,936) denominated in currencies that differ from their functional currencies. A 10% change in the value of the United States dollar would impact the Company's net gain or loss by $1,807 (April 30, 2024 - $394).

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Capital Management

The Company's objective in managing capital is to ensure sufficient liquidity to fund research and development and engage in sales and marketing activities while at the same time taking a conservative approach toward financial leverage and management of financial risk. The Company's capital is composed entirely of equity. The Company uses capital to finance its operating losses. There is substantial uncertainty that the Company will be able to continue to finance its operating losses. The Company currently funds these requirements from cash raised through the issuance of common shares. There is a risk that the Company will not be able to raise funds through the issuance of shares or on terms advantageous to the Company or its shareholders. The Company's objectives when managing capital are to ensure that the Company will have enough liquidity to continue to develop its software and services and engage in sales and marketing activities in order to obtain returns on investment.

The Company monitors its capital on the basis of the adequacy of its cash resources to fund its business plan. In order to maximize flexibility to finance growth, the Company does not currently pay a dividend to holders of its common shares. There is no external restriction on the Company's capital. The Company did not initiate any changes to its capital management strategy during the year ended April 30, 2025.

Investment Risk

As of April 30, 2025, the Company's cash and cash equivalents were comprised of cash in the amount of $373,463 (April 30, 2024 - $224,572), and money market funds in the amount of $2,716,015 (April 30, 2024 - $3,415,194).

Money market funds were comprised as follows:

i) 33% of Goldman Financial Square Government Fund is AAA rated and seeks current income to the extent consistent with the preservation of capital and the maintenance of liquidity by investing in U.S. Treasury Obligations, which include securities issued or guaranteed by the U.S. Treasury where the payment of principal and interest is backed by the full faith and credit of the U.S. government;
ii) 64% of United States treasury bills is A-1+ rated and guaranteed by the U.S. Treasury where the payment of principal and interest is backed by the full faith and credit of the U.S. government; and
iii) 3% Morgan Stanley MSBNA Preferred Savings Account insured by the Federal Deposit Insurance Corporation ("FDIC") up to applicable limits.

Although certain money market fund investments may be guaranteed, the funds themselves are not insured or guaranteed and the Company could lose money. An investment in the Goldman Financial Square Government Fund is guaranteed by the U.S. government. The prices of fixed income securities respond to economic developments, including interest rate changes. Prices may be inversely affected by changes in interest rates. Accordingly, money market funds are subject to interest rate risk, and in a rising interest rate environment, portfolio shares can decline in value.

(Expressed in United States dollars)

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Nubeva's credit risk is primarily attributable to fluctuations in the realizable values of its cash and trade receivable. Cash accounts are maintained with major international financial institutions of reputable credit and therefore bear minimal credit risk. In the normal course of business, the Company is exposed to credit risk from its customers, and the related accounts receivable are subject to normal commercial credit risks. Until the Company's customer base grows it is anticipated that its accounts receivable will be concentrated with a limited number of large customers all of which Nubeva believes are subject to normal industry credit risks.

21. SEGMENT REPORTING

At April 30, 2025, the Company operates in one operating segment, the development and licensing of software-based decryption solutions, including Ransomware Reversal. The Company's equipment is located in Australia and the United States. All revenue recognized during the year ended April 30, 2025 and 2024 was earned as follows:

		Year ended April 30, 2025		Year ended April 30, 2024
United States	$	320,044	$	1,742,142
United Kingdom		193,986		30,709
Canada		16,586		16,132
Totals	$	530,616	$	1,788,983

22. SUBSEQUENT EVENT

Subsequent to April 30, 2025, the Company received $269,410 of the tax credit receivable.