



**Nubeva Technologies Ltd.**  
(formerly Sherpa Holdings Corp.)

**Condensed Consolidated Interim Financial Statements**

**Unaudited**

**For the Three and Six Months Ended October 31, 2018 and 2017**

**NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, Subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

## Contents

Condensed Consolidated Interim Statements of Financial Position	3
Condensed Consolidated Interim Statements of Comprehensive Loss	4
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity (Deficiency)	5
Condensed Consolidated Interim Statements of Cash Flows	6
Notes to Condensed Consolidated Interim Statements	7 - 14

**Nubeva Technologies Ltd.**  
(formerly Sherpa Holdings Corp.)  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**  
As at October 31, 2018 and April 30, 2018  
(Unaudited)

(Expressed in United States Dollars)

	<b>October 31, 2018</b>	<b>April 30, 2018</b>
<b>Assets</b>		
Current assets:		
Cash	\$ 6,648,859	\$ 7,501,346
Accounts receivables (note 4)	161,977	82,838
Income tax receivable	-	148,133
Digital currencies (notes 5 and 13)	3,096,231	-
Prepaid expenses and deposits (note 6)	102,991	73,075
<b>Total current assets</b>	<b>10,010,058</b>	<b>7,805,392</b>
<b>Total Assets</b>	<b>\$ 10,010,058</b>	<b>\$ 7,805,392</b>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable and accrued liabilities (notes 7 and 9)	\$ 385,302	\$ 590,237
Deferred revenue (note 8)	1,685,464	109,750
<b>Total current liabilities</b>	<b>2,070,766</b>	<b>699,987</b>
<b>Total Liabilities</b>	<b>2,070,766</b>	<b>699,987</b>
<b>Shareholders' Equity</b>		
Common share capital (note 10)	13,522,710	12,554,932
Share-based payment reserve	471,539	259,962
Deficit	(5,941,099)	(5,671,017)
Accumulated other comprehensive loss	(113,858)	(38,472)
<b>Total Equity</b>	<b>7,939,292</b>	<b>7,105,405</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 10,010,058</b>	<b>\$ 7,805,392</b>

Subsequent event – note 15

Approved by the directors:

\_\_\_\_\_"Randy Chou"\_\_\_\_\_

\_\_\_\_\_ "Greig Bannister" \_\_\_\_\_

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

**Nubeva Technologies Ltd.**  
(formerly Sherpa Holdings Corp.)

**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
For the Three and Six Months Ended October 31, 2018 and 2017  
(Unaudited)

(Expressed in United States Dollars)

	Three Months Ended		Six Months Ended	
	October 31, 2018	October 31, 2017	October 31, 2018	October 31, 2017
<b>Revenue</b>	\$ 226,875	\$ 115,000	\$ 1,951,655	\$ 115,000
<b>Operating expenses:</b>				
General and administrative (note 11)	300,257	48,556	550,934	50,125
Research and development (note 11)	493,619	362,170	991,671	647,532
Sales and marketing (note 11)	244,212	77,376	538,105	77,376
Share-based compensation (notes 9 and 10)	38,700	2,550	215,948	4,739
<b>Total expenses</b>	<b>1,076,788</b>	<b>490,652</b>	<b>2,296,658</b>	<b>779,772</b>
<b>Other Items</b>				
Interest income	-	-	469	-
Fair value gain on digital currencies (notes 5 and 13)	169,229	-	71,463	-
Foreign exchange gain (loss)	13,246	(8,354)	20,589	(6,606)
Realized loss on sale of digital currencies	(17,600)	-	(17,600)	-
<b>Net Loss (Loss)</b>	<b>(685,038)</b>	<b>(384,006)</b>	<b>(270,082)</b>	<b>(671,378)</b>
Other comprehensive loss				
Foreign currency translation adjustment	(51,056)	5,021	(75,386)	3,095
<b>Total Comprehensive Loss</b>	<b>\$ (736,094)</b>	<b>\$ (378,985)</b>	<b>\$ (345,468)</b>	<b>\$ 668,283)</b>
<b>Loss per share – basic and diluted</b>	<b>(0.01)</b>	<b>(0.01)</b>	<b>(0.01)</b>	<b>(0.02)</b>
<b>Weighted average number of common shares outstanding</b>	<b>53,148,567</b>	<b>40,017,500</b>	<b>52,965,110</b>	<b>40,035,000</b>

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

**Nubeva Technologies Ltd.**  
(formerly Sherpa Holdings Corp.)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)  
For the Six Months Ended October 31, 2018 and 2017  
(Unaudited)

(Expressed in United States Dollars)

	Share capital		Share-based compensation and warrant reserves				Accumulated Other Comprehensive Loss	Total
	Common Shares	Amount	Options	Warrants	Deficit			
<b>Balance April 30, 2017</b>	<b>40,000,000</b>	<b>\$ 4,000</b>	<b>\$ 8,122</b>	<b>\$ -</b>	<b>\$ (741,718)</b>	<b>\$ (1,036)</b>	<b>\$ (730,632)</b>	
Options exercised	35,000	644	(294)	-	-	-	350	
Share- based compensation	-	-	4,739	-	-	-	4,739	
Other comprehensive income	-	-	-	-	-	3,095	3,095	
Net loss for the period	-	-	-	-	(671,378)	-	(671,378)	
<b>Balance October 31, 2017</b>	<b>40,035,000</b>	<b>\$ 4,644</b>	<b>\$ 12,567</b>	<b>\$ -</b>	<b>\$ (1,413,096)</b>	<b>\$ 2,059</b>	<b>\$ (1,393,826)</b>	
<b>Balance April 30, 2018</b>	<b>52,778,898</b>	<b>\$ 12,554,932</b>	<b>\$ 155,823</b>	<b>\$ 104,139</b>	<b>\$ (5,671,017)</b>	<b>\$ (38,472)</b>	<b>\$ 7,105,405</b>	
Private placement, net of share issuance costs \$191,999	1,935,483	959,156	-	-	-	-	959,156	
Share- based compensation (note 10)	-	-	214,556	-	-	-	214,556	
Options exercised (note 10)	20,643	794	-	-	-	-	794	
Fair value adjustment for options exercised	-	186	(186)	-	-	-	-	
Warrants exercised (note 10)	8,211	4,849	-	-	-	-	4,849	
Fair value adjustment for warrants exercised	-	2,793	-	(2,793)	-	-	-	
Other comprehensive loss	-	-	-	-	-	(75,386)	(75,386)	
Net loss for the period	-	-	-	-	(270,082)	-	(270,082)	
<b>Balance October 31, 2018</b>	<b>54,743,235</b>	<b>\$ 13,522,710</b>	<b>\$ 370,193</b>	<b>\$ 101,346</b>	<b>\$ (5,941,099)</b>	<b>\$ (113,858)</b>	<b>\$ 7,939,292</b>	

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

**Nubeva Technologies Ltd.**  
(formerly Sherpa Holdings Corp.)

**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**

For the Six Months ended October 31,  
(Unaudited)

(Expressed in United States Dollars)

	<b>2018</b>	<b>2017</b>
<b>Operating activities:</b>		
Net loss for the period	\$ (270,082)	\$ (671,378)
Items not involving cash:		
Stock based compensation	215,948	4,739
Token sales settled in digital currencies	(1,381,904)	-
Fair value gain on digital currencies	(71,463)	-
Realized loss on digital currencies	17,600	-
Changes in non-cash working capital items related to operations:		
Accounts receivable	(79,139)	(2,016)
Prepaid expenses	(29,916)	7,027
Income tax receivable	173,133	-
Accounts payable and accruals	(204,935)	(81,150)
Deferred revenue	(109,750)	-
<b>Cash used for operating activities</b>	<b>(1,740,508)</b>	<b>(742,778)</b>
<b>Financing activities:</b>		
Issuance of SAFE agreements	-	725,000
Private placement, net of share issuance costs \$191,999	959,156	-
Options exercised	794	350
Warrants exercised	4,849	-
<b>Cash from financing activities</b>	<b>964,799</b>	<b>725,350</b>
Effect of foreign exchange on cash	(76,778)	3,095
Net decrease in cash	(852,487)	(14,333)
Cash, beginning of the period	7,501,346	915,135
<b>Cash, end of the period</b>	<b>\$ 6,648,859</b>	<b>\$ 900,802</b>

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

## 1. NATURE OF OPERATIONS

On February 28, 2018 the Company completed a reverse acquisition transaction (the “Reverse Acquisition Transaction” or “RTO”) with Nubeva, Inc. Pursuant to the Reverse Acquisition Transaction, the Company acquired all of the issued and outstanding securities of Nubeva, Inc., whereby former Nubeva, Inc. shareholders received 0.77419 common shares of the Company for each Nubeva, Inc. common share held. The Company, with Nubeva, Inc. as its wholly owned subsidiary, will now pursue the business of Nubeva, Inc. The condensed consolidated interim financial statements for the three and six months ended October 31, 2018 include the results of operations of Nubeva, Inc. The comparative figures are those of Nubeva, Inc.

Immediately prior to closing the RTO the Company consolidated its outstanding class A shares on the basis of five old shares for each one new share (on a post-consolidation basis, the “Shares”). All of the Company’s other outstanding securities were adjusted on the same basis prior to completion of the RTO. In conjunction with the closing of the RTO, the Company has changed its name to “Nubeva Technologies Ltd.” and its trading symbol to “NBVA”.

These 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. As at October 31, 2018, the Company had working capital of \$7,939,292 (April 30, 2018 - \$7,105,405). Management estimates that these funds will provide the Company with sufficient financial resources to carry out planned operations through the next twelve months.

## 2. STATEMENT OF COMPLIANCE

### **Basis of Preparation**

These interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. These interim condensed consolidated financial statements should be read in conjunction with the Company’s audited consolidated financial statements for the year ended April 30, 2018, which have been prepared in accordance with IFRS issued by the IASB.

These condensed consolidated interim financial statements were approved by the Board of Directors on December 12, 2018.

## 3. ACCOUNTING STANDARDS AND AMENDMENTS

During the six months ended October 31, 2018, the Company adopted IFRS 9, Financial Instruments which did not have a material impact on the Company’s financial instruments.

The standards and interpretations that are issued up to the date of issuance of the Company’s financial statements but were not effective during the current six-month period are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

IFRS 16                      Leases (i)

(i) Effective for annual periods beginning on or after January 1, 2019

Other 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 financial instruments.

**Nubeva Technologies Ltd.** (formerly Sherpa Holdings Corp.)  
Notes to the Unaudited Condensed Consolidated Interim Financial Statements. (Unaudited)  
For the three and six months ended October 31, 2018 and 2017  
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**4. ACCOUNTS RECEIVABLE**

	<b>October 31, 2018</b>		<b>April 30, 2018</b>	
Trade receivables	\$	137,090	\$	77,798
GST receivables		24,887		5,040
	<b>\$</b>	<b>161,977</b>	<b>\$</b>	<b>82,838</b>

Included in accounts receivable at October 31, 2018 is \$135,000 (April 30, 2018 - \$75,000) relating to a services contract and \$2,090 (April 30, 2018 - \$2,090) relating to a customization services contract.

**5. DIGITAL CURRENCIES**

	<b>October 31, 2018</b>		<b>April 30, 2018</b>	
	Number of Tokens/Coins	Quoted Market Price	Number of Tokens/Coins	Quoted Market Price
Tokens	30,000,000	\$ 3,075,543	-	\$ -
Bitcoin	3.27469858	\$ 20,688	-	-
		<b>\$ 3,096,231</b>		<b>\$ -</b>

As at October 31, 2018 and April 30, 2018, the Company's digital currencies consisted of the following:

See note 12, digital currency risk and note 9, related parties.

**6. PREPAID EXPENSES AND DEPOSITS**

	<b>October 31, 2018</b>		<b>April 30, 2018</b>	
Deposit and prepaid office rent	\$	23,208	\$	14,174
Other		79,783		58,901
	<b>\$</b>	<b>102,991</b>	<b>\$</b>	<b>73,075</b>

**7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>October 31, 2018</b>		<b>April 30, 2018</b>	
Accounts payable	\$	131,620	\$	333,933
Accrued liabilities		253,682		256,304
	<b>\$</b>	<b>385,302</b>	<b>\$</b>	<b>590,237</b>

**8. DEFERRED REVENUE**

	<b>October 31, 2018</b>		<b>April 30, 2018</b>	
Subscription contracts	\$	-	\$	101,750
Service contracts		-		8,000
Token pre-sales		1,685,464		-
	<b>\$</b>	<b>1,685,464</b>	<b>\$</b>	<b>109,750</b>

**9. RELATED PARTY TRANSACTIONS**

The following amounts are payable to related parties as at October 31, 2018 and April 30, 2018:

	<b>October 31, 2018</b>		<b>April 30, 2018</b>	
Expenses incurred on behalf of Company	\$	557	\$	4,478
Consulting fees		19,256		16,466
Bonuses		-		238,485
Board Services		-		10,000
	<b>\$</b>	<b>19,813</b>	<b>\$</b>	<b>269,429</b>

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

Bonuses in the aggregate amount of \$238,485 in respect of the year ended April 30, 2018 were paid to the Company's corporate officers, two of whom were directors at April 30, 2018.

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During the six months ended October 31, 2018 the Company entered into a token pre-sale agreement for which it accepted tokens in the amount of \$3,000,000 as consideration. The tokens, which are traded on the Ethereum network and quoted in Ethereum, are valued at \$3,075,543 on October 31, 2018. The CEO of token issuer is related to an officer and director of the Company.

On October 15, 2018 the Company completed a private placement transaction with its CEO, Randy Chou. (See Note 9. Share Capital and Reserves.)

**Key Management Compensation**

The Company incurred the following transactions with directors, officers and companies that are controlled by directors of the Company, during the period ended:

	<b>Six Months ended October 31, 2018</b>	<b>Six Months Ended October 31, 2017</b>
Salary	\$ 369,988	\$ 234,944
Bonus	47,910	-
Board services	30,000	-
Share-based compensation	199,801	2,192
	<b>\$ 647,699</b>	<b>\$ 237,136</b>

**10. 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, and 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 October 31, 2018 there were 39,972,268 (April 30, 2018 – 39,778,898) common shares issued and fully paid and 14,770,967 (April 30, 2018 – 13,000,000) Restricted Voting Common Shares issued and fully paid. Upon the RTO, the Company's issued shares as at October 31, 2017 were reduced by 9,032,257 as a result of the RTO exchange ratio of 0.77419.

(c) Shares Issued during the period

During the six months ended October 31, 2018 the following shares were issued:

On October 15, 2018, the Company completed a private placement and swap transaction whereby Randy Chou, the CEO of the Company, sold 5,161,290 common shares of his personal holdings at a price of CAD\$0.775 per share on October 12, 2018 and subscribed for 1,935,483 restricted voting common shares of the Company at a price of CAD\$0.775 per share, for gross proceeds to the Company of CAD\$1,500,000 on October 15, 2018. The net proceeds after share issuance cost was \$959,156. Immediately prior to closing the private placement and swap, Mr. Chou converted 164,516 Restricted Voting Shares into common shares.

On October 30, 2018, the Company issued 20,643 common shares pursuant to the exercise of options for gross proceeds of \$794.

During the six month period ended October 31, 2018, the Company issued 8,211 common shares pursuant to the exercise of warrants for gross proceeds of \$4,849.

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(d) Escrow Shares

Pursuant to the RTO, 13,000,000 Restricted Voting Common Shares and 20,696,775 common shares were subject to escrow conditions. The escrowed shares are to be released in four equal installments, the first upon closing of the RTO and the remainder every six months thereafter. At October 31, 2018 there were 16,848,388 common shares in escrow (April 30, 2018 – 25,272,582), which included 6,500,000 Restricted Voting Common shares and 10,348,388 common shares.

(e) Stock Options

At October 31, 2018 the Company amended the terms of its equity compensation from a 10% rolling option plan to a fixed option plan in addition to an RSU plan. Under the fixed option plan the Company may reserve for issuance up to 5,500,000 common shares and under the RSU Plan the Company may reserve for issuance up to 5,055,000 common shares. At October 31, 2018 no RSU's had been awarded.

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 the stock options for the six months ended October 31, 2018 is as follows:

	<b>Options</b>	<b>Weighted Average Exercise Price (CAD)</b>
Balance, April 30, 2018	5,098,888	\$ 0.28
Cancelled	(216,826)	1.44
Exercised	(20,643)	0.05
<b>Balance October 31, 2018</b>	<b>4,861,419</b>	<b>\$ 0.23</b>

During the six months ended October 31, 2018 and 2017, no options were issued. Share-based compensation of \$215,948 (2017 - \$4,739) was recorded for the options vested during the six months ended October 31, 2018 based on the following assumptions which are adjusted annually:

	<b>Year ended April 30, 2018</b>	<b>Year ended April 30, 2017</b>
Expected life of options	5 years	5 years
Annualized volatility	110% - 125%	12% - 125%
Risk-free interest rate	2.07% - 2.23%	0.70% – 1.25%
Dividend rate	0%	0%

Details of options outstanding at October 31, 2018 are as follows:

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Number of Options Outstanding	Exercise Price	Expiry Date	Weighted Average Exercise Price (CAD)	Weighted Average Remaining Life (Years)
38,710	\$0.05	12-Apr-26	\$0.05	7.45
58,065	\$0.05	14-Apr-26	\$0.05	7.46
19,355	\$0.05	27-Apr-26	\$0.05	7.49
38,710	\$0.05	05-May-26	\$0.05	7.52
77,419	\$0.05	04-Jun-26	\$0.05	7.60
77,419	\$0.05	14-Jun-26	\$0.05	7.62
38,710	\$0.05	20-Jun-26	\$0.05	7.64
42,581	\$0.05	21-Jun-26	\$0.05	7.64
27,097	\$0.05	01-Sep-26	\$0.05	7.84
11,613	\$0.05	08-Sep-26	\$0.05	7.86
13,548	\$0.05	17-Sep-26	\$0.05	7.88
38,710	\$0.05	06-Oct-26	\$0.05	7.94
127,742	\$0.05	25-Nov-26	\$0.05	8.07
1,587,096	\$0.05	09-Jan-27	\$0.05	8.20
13,548	\$0.05	11-Jan-27	\$0.05	8.20
108,387	\$0.05	16-Jan-27	\$0.05	8.22
42,581	\$0.05	17-Jan-27	\$0.05	8.22
77,419	\$0.05	10-Apr-27	\$0.05	8.45
379,355	\$0.05	25-May-27	\$0.05	8.57
134,195	\$0.05	29-May-27	\$0.05	8.58
282,581	\$0.05	19-Jun-27	\$0.05	8.64
92,903	\$0.05	21-Jun-27	\$0.05	8.64
875,820	\$0.05	05-Sep-27	\$0.05	8.85
139,355	\$0.80	01-Nov-27	\$0.80	9.01
386,000	\$1.52	23-Mar-28	\$1.52	9.40
132,500	\$1.52	11-Apr-28	\$1.52	9.45
4,861,419	\$0.23			

At October 31, 2018, there were 2,192,709 stock options exercisable (2017 – 400,001).

(f) Warrants

	Warrants	Weighted Average Exercise Price (CAD)
Balance, April 30, 2018	337,025	\$ 0.64
Exercised	(8,211)	0.78
Balance October 31, 2018	328,814	\$ 0.09

Details of warrants outstanding at October 31, 2018 are as follows:

Number of Warrants Outstanding	Exercise Price (CAD)	Expiry Date	Exercise Price (CAD)	Remaining Life (Years)
292,338	\$0.62	28-Feb-19	\$0.62	0.33
36,476	\$0.78	28-Feb-20	\$0.78	1.33
328,814	\$0.64		\$0.64	

## 11. EXPENSES BY NATURE

For the six months ended October 31, 2018

	<b>General and Administration</b>	<b>Research and Development</b>	<b>Sales and Marketing</b>
Office expense and operations	\$ 362,401	\$ 153,930	\$ 181,070
Personnel	180,283	818,200	329,790
Travel	8,250	19,541	27,245
<b>Totals</b>	<b>\$ 550,934</b>	<b>\$ 991,671</b>	<b>\$ 538,105</b>

For the six months ended October 31, 2017

	<b>General and Administration</b>	<b>Research and Development</b>	<b>Sales and Marketing</b>
Office expense and operations	\$ 17,227	\$ 120,167	\$ 5,127
Personnel	32,898	505,923	70,309
Travel	-	21,442	1,940
<b>Totals</b>	<b>\$ 50,125</b>	<b>\$ 647,532</b>	<b>\$ 77,376</b>

## 12. REVENUE

	<b>Six Months ended October 31, 2018</b>	<b>Six Months ended October 31, 2017</b>
Subscriptions	\$ 109,750	\$ 115,000
Software and services	1,841,905	-
<b>Totals</b>	<b>\$ 1,951,655</b>	<b>\$ 115,000</b>

Revenue for the six months ended October 31, 2018 from software and services was comprised \$60,000 from software services provided to customers (October 31, 2017 – \$115,000), \$109,750 from recurring revenue (October 31, 2017 – Nil) and \$1,781,905 from the proceeds of token pre-sales which were earned \$699,737 from software licenses, \$780,000 from token network development services and \$302,168 from services to set up the token offering.

## 13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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. The same risks disclosed in the Company's annual financial statements which may be found on [www.sedar.com](http://www.sedar.com) continue to apply to the Company. The following provides additional information with respect to the Company's exposure to certain risks:

### 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 October 31, 2018 the Company had a cash balance of \$6,648,859 (April 30, 2018 - \$7,501,346) to settle current liabilities of \$385,302 (April 30, 2018 - \$590,237).

### 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 Company's sales are in US Dollars and although the majority of its operating expenses are denominated in US Dollars, a portion of general and administrative costs are denominated in Canadian Dollars and a portion of Research and Development costs are denominated in Australian Dollars exposing the Company to foreign exchange risk. The Company monitors its exposure to foreign exchange risk and converts any surplus funds to US Dollars to provide a natural hedge.

As at October 31, 2018 and April 30, 2018, the Company was exposed to foreign currency risk through the following financial assets and liabilities denominated in foreign source currencies, converted to US Dollars at the prevailing rate at the end of each of the reporting periods:

	October 31, 2018		April 30, 2018	
	Australian Dollars	Canadian Dollars	Australian Dollars	Canadian Dollars
Cash	\$ 191,052	\$ 1,111,790	\$ 309,456	\$ 692,534
Accounts receivable	59,213	28,915	5,040	708
Income tax receivable	-	-	148,133	-
Accounts payable and accrued liabilities	(135,927)	(50,561)	(91,313)	(46,326)
<b>Total</b>	<b>\$ 114,338</b>	<b>\$ 1,090,144</b>	<b>\$ 371,316</b>	<b>\$ 646,916</b>

Based on the above net exposures, as at October 31, 2018, a 10% change in the Canadian Dollar to the US Dollar exchange rate would impact the Company's net gain or loss by \$109,014 and a 10% change in the Australian Dollar to the US Dollar exchange rate would impact the Company's net gain or loss by \$11,434.

### Capital Management

The Company's objective in managing capital is to ensure sufficient liquidity to fund research and development, engage in sales and marketing activities, and undertake selective acquisitions, 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. The Company currently funds these requirements from cash raised through the issuance of common shares. The Company also issues token-presales in exchange for cash or digital currencies. Digital currencies are current assets with no contractual right to be converted to cash. The Company's objectives when managing capital are to ensure that the Company will continue to have enough liquidity help build its portfolio of cloud-based security solutions from which it will 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 institute any changes to its capital management strategy during the year.

### Digital Currencies Risk

Nubeva accepts digital currencies such as Bitcoin or service tokens as payment for its Token pre-sales. Prices of digital currencies are volatile and are affected by various forces including global supply and demand, interest rates, exchange rates, inflation or deflation and the global political and economic conditions. A 10% change in the value of the Company's digital currencies would impact the Company's net gain or loss by \$309,623. At October 31, 2018, the tokens received as consideration, which trade in Ethereum ("ETH"), had a market value of ETH 0.00051277. In the month subsequent to October 31, 2018 the tokens had a low trade price of ETH 0.00035795 and a high trade price of ETH 0.00044159. During the same period ETH, which had a market value of US\$ 199.93 at October 31, 2018, had a low trade price of US\$95.26 and a high trade price of US\$112.42.

**Nubeva Technologies Ltd.** (formerly Sherpa Holdings Corp.)  
Notes to the Unaudited Condensed Consolidated Interim Financial Statements. (Unaudited)  
For the three and six months ended October 31, 2018 and 2017  
(Expressed in United States Dollars)

Bitcoin (“BTC”) received as consideration had value of US\$6,334.27 at October 31, 2018 and during the subsequent month had a low trade price of US\$ 3,593 and a high trade price of US\$ 6,593. A decline in the market prices for digital currencies could result in a material fair value loss on digital currencies, negatively impacting the Company’s financial results. The Company may not be able to liquidate its inventory of digital currency at its desired price if required.

Nubeva may hold some or all of the company’s cyber-currency assets in wallets directly controlled by the company or through third party custodian services. Such wallets may be susceptible to cyber-attacks and/or mishandling which could cause the loss of funds.

**14. SEGMENT REPORTING**

The Company operates two operating segments. Its primary operations include the development and commercialization of software to support the provision of cloud-based security. During the year ended April 30, 2018, the Company commenced earning revenues from the license of its software and services.

Also, during the year ended April 30, 2018, the Company commenced earning revenues from its secondary operating segment with the sale of rights to receive future tokens. If the Company issues tokens on a token network each holder with such rights will receive tokens entitling the holder to exchange them on the network for future cloud-based security services from the Company or from other suppliers that participate in the token network. Management has determined that the business of developing the token network is a secondary operating segment because, although the nature of the products and services is generally the same, the type of customer and the method of distribution are materially different. Further, the secondary operating segment operates in a different regulatory environment.

The Company’s management evaluates the business has a whole and also in its two operating segments. During the six months ended October 31, 2017, the Company operated in one operating segment. During the six months ended October 31, 2018, the Company’s operations are segmented as follows:

	Software development and commercialization	Token network and token sales	Total
Revenue <sup>(1)</sup>	\$ 169,750	\$ 1,781,905	\$ 1,951,655
General and administrative	(493,999)	(56,935)	(550,934)
Research and development	(526,671)	(465,000)	(991,671)
Sales and Marketing	(506,301)	(31,804)	(538,105)
Share based payments	(215,948)	-	(215,948)
Other items	21,679	53,242	74,921
Net income (loss)	\$ (1,551,490)	\$ 1,281,408	\$ (270,082)

<sup>(1)</sup> Revenue from token pre-sales in the amount of \$1,381,905 was received in digital currencies.

**15. SUBSEQUENT EVENT**

On November 26, 2018, the Company commenced procedures to wind-up its token network operations. Under the terms of the agreements issued for rights to receive future tokens, the remaining assets of the operating subsidiary shall be distributed on a pro-rata basis to the holders of the future token interest. On November 26, 2018, the assets available for distribution are comprised of tokens of other issuers with a market value of approximately US\$ 815,000, after giving effect to market value fluctuations of digital currency received as a result of the token presales.