

Nubeva Technologies Ltd.

(formerly Sherpa Holdings Corp.)

MANAGEMENT DISCUSSION AND ANALYSIS

This Management Discussion and Analysis (this “**MD&A**”) is dated July 30, 2018 and is intended to assist the reader in understanding the results of operations and financial condition of Nubeva Technologies Ltd. (“**Nubeva**” or the “**Company**”). This MD&A should be read in conjunction with the following information that can be obtained from www.sedar.com:

- (i) the Company’s audited consolidated financial statements for the year ended April 30, 2018 and accompanying notes;
- (ii) the Company’s unaudited consolidated financial statements for the nine months ended January 31, 2018;
- (iii) The Filing Statement of the Company dated the 26th day of February, 2018.

The consolidated financial statements of Nubeva have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretation Committee (“IFRIC”).

Nubeva’s reporting currency is United States Dollars and its functional currency is Canadian Dollars. The functional currency of each entity is measured using the currency of the primary economic environment in which that entity operates. The Company has the following wholly owned operating subsidiaries:

Subsidiary	Operating location	Functional currency
Nubeva, Inc.	San Jose, California	United States Dollars
Nubeva PTY Ltd.	Sydney, NSW Australia	Australian Dollars
CBR Project PTE Ltd.	Singapore	United States Dollars

CAUTION ON FORWARD-LOOKING INFORMATION

This MD&A contains certain “forward-looking information” and “forward-looking statements” (collectively “**forward-looking statements**”) within the meaning of applicable Canadian securities legislation. When we discuss our strategy, plans, outlook, future financial and operating performance, financing plans, growth in cash flow and other events and developments that have not yet happened, we are making forward-looking statements. All statements in this MD&A that address events or developments that we expect to occur in the future are forward-looking statements, including the following:

- the development and capabilities of Nubeva (as defined herein) to provide the security platform and services;
- our plan to expand operations by adding additional customers;
- our plan to launch a token network outside Canada and the United States;
- our expectations in relation to working capital;
- our expectations in relation to our future financial needs;

Forward-looking statements are statements that are not historical facts and are generally, although not always, identified by words such as “expect”, “plan”, “anticipate”, “project”, “target”, “potential”, “schedule”, “forecast”, “budget”, “estimate”, “intend” or “believe” and similar expressions or their negative connotations, or that events or conditions “will”, “would”, “may”, “could”, “should” or “might” occur. All

such forward-looking statements are based on the opinions and estimates of management as of the date such statements are made. Forward-looking statements necessarily involve assumptions, risks and uncertainties, certain of which are beyond the Company's control, including the following:

- our dependence on suppliers and customers;
- our untested business model;
- our ability to attract customers;
- the competitive nature of the cloud-based security market;
- our ability to manage our growth;
- exchange rate risks;
- regulatory risks;
- our future operations;
- our dependence on key personnel;
- dilution to present and prospective shareholders;
- the lack of a market for our securities; and
- our share price.

As we are entering into a new business segment, future operations are uncertain and there is a risk that there will be a limited market for our services.

The Company assumes no responsibility to revise forward looking statements to reflect new information, subsequent events or changes in circumstances, except as required by applicable securities laws.

1. Description of the Business

The Company's registered and records office is located at 789 West Pender Street, Suite 1080, Vancouver, BC Canada V6C 1H2.

Nubeva Technologies Ltd. (formerly Sherpa Holdings Corp.) was incorporated on February 3, 2017 under the Business Corporation Act of British Columbia as a capital pool company ("CPC"). The Capital Pool System was set up by the TSX to provide private companies with an alternative method to go public.

Nubeva, Inc. is a private company, incorporated under the laws of the State of Delaware on March 30, 2016. Nubeva Inc.'s wholly owned subsidiary, Nubeva Pty Ltd. was incorporated under the laws of New South Wales, Australia on April 20, 2016. Nubeva is based in San Jose, California and its principal activity is the development and commercialization of software that uses Blockchain Routing to accelerate migration to the public clouds by empowering organizations to extend and run their visibility and security controls inside public cloud platforms including Azure and AWS. IT and Security teams use Nubeva's software to restore and enhance cloud visibility, and to virtualize their security systems, to monitor and protect cloud applications and workloads, hybrid datacenters, and remote site, users, and devices.

Effective February 28, 2018 the Company completed a reverse acquisition transaction ("**RTO**") under which the Company acquired 100% of the shares of Nubeva, Inc. in exchange for shares of the Company, resulting in former shareholders of Nubeva, Inc. excluding those holding shares pursuant to the Brokered Financing, holding 97% of the shares of the Company upon closing the RTO transaction. Nubeva, Inc. is the accounting acquirer and this management discussion and analysis is based on the results of Nubeva, Inc. as the accounting acquirer.

Immediately prior to closing, the Company consolidated its common stock at a ratio of one (1) post-consolidation common share for each five (5) pre-consolidation common shares and changed its name to

Nubeva Technologies Ltd. Effective at the opening, on March 7, 2018, the common shares of Nubeva Technologies Ltd. resumed trading under the new name on the TSX Venture Exchange under the symbol NVBA. The Company is classified as a technology company.

On April 24, 2018 Nubeva incorporated CBR Project Pte Ltd. (“CBR Project”), a wholly owned subsidiary of Nubeva Technologies Ltd. Located in Singapore, to create a new, international cybersecurity ecosystem marketplace of security providers, researchers, support resources and ultimately customers (the “**CBR Network**”) built on a foundation of the Company’s security solutions.

2. Business Model

Nubeva Technologies Ltd. develops Software-as-a-Service (SaaS) software and services that enable enterprises to run best-of-breed cybersecurity in public cloud environments. Nubeva's products provide enhanced visibility and control over network traffic and simplified automation and operation that is essential to run top-tier security technologies and services in the cloud easily and at low costs. With Nubeva, organizations can leverage existing policies, technologies and operations and accelerate their move to the cloud with confidence.

Nubeva’s employs direct sales efforts as well as value added resellers to address its North American market, which is comprised mainly of large corporations and enterprise customers. The CBR Project intends to form a highly networked, focused and leveraged system that effectively crowdsources better security solutions and services, at scale at affordable costs. This Network is expected to expand Nubeva’s business outside North America and broaden its target market.

CBR Project has commenced pre-sales of tokens, the proceeds of which will be used to establish the CBR Network and issue Cybersecurity Service Tokens (“**CST’s**”) in a “**Token Offering**”. The use of proceeds of the pre-sales, which may be received in cyber currency or cash, will be used to fund costs associated with the Token Offering, to enable CBR Project to fund its purchase from Nubeva a limited purpose open-source license for its Blockchain Routing IP software and to complete development of the CBR Network. At the time of this MD&A the Company is in the process of marketing its token pre-sales. Nubeva made its Blockchain routing IP software available in April 2018, in connection with the development of the CBR Network. CSTs are expected to form a trusted, branded currency to attract and engage customers, solution providers, research and support resources. The CBR Project intends to form a highly networked, focused and leveraged system that effectively crowdsources better security solutions and services, at scale.

3. Overall Performance

Operations for the Year Ended April 30, 2018

Nubeva launched StratusEdge, its proprietary cloud-based security delivery platform. Nubeva's StratusEdge cloud software migrates and extends organizations' data center controls into the Cloud, preserving vital investments in capability, policy and teams. The StratusEdge cloud service Blockchain routing technology delivers essential and missing networking and control functionality to the cloud platforms unlocking the ability to see and control packet traffic between virtual machines, networks, and even platform services such as .NET/PaaS without agents. In addition, StratusEdge allows security teams to run next-gen firewalls or entire security technology stacks without functional compromise, inside their Azure cloud environments, just as they do in their private data centers.

Nubeva entered into an agreement on May 15, 2017 with Optiv, a North American security reseller with annual revenues in excess of \$ 2.5 billion, for Optiv to sell StratusEdge under the Optiv brand, powered by Nubeva.

On June 26, 2017, Nubeva was accepted to the CTV Catalyst Program, which was created to support early-stage companies working on technologies that can directly benefit the oil and gas industry.

On September 25, 2017 Chevron issued a purchase order for the license of Nubeva's software platform for one year inside Chevron's Azure cloud.

Nubeva applied to the PTO for a patent on October 24, 2017 for the invention: PROVIDING SCALABLE CLOUD-BASED SECURITY SERVICES, application number 15/792,679. This is a blanket patent and it is anticipated that several claims will be made under this application. On December 14, 2017 the Company filed Application 15842646: Techniques for seamlessly updating a cloud-based security service and Application 15842848: Techniques for optimizing data transfer costs for cloud-based security services.

In March 2018 Nubeva entered into an agreement with the Security Advisor Alliance (SAA), a US-based nonprofit of Chief Information Security Officers (CISOs), to help build and operate its secure communications and membership management systems in the cloud.

Financing

During the years ended April 30, 2018 and 2017 Nubeva raised \$725,000 and \$1,525,000 respectively from the issuance of SAFE Agreements. SAFE Agreements are "Simple Agreements for Future Equity". The investors in SAFE Agreements advanced the full amount of the purchase price up-front upon the issuance of the SAFE Agreements and the funds were fully available to Nubeva. Accordingly, the investors are at full risk on the investment from the date of the issuance. Pursuant to the RTO, the principal amount of equity invested was converted into common shares of the Company.

On December 21, 2017 the Nubeva, Inc. completed a brokered financing of subscription receipts for gross proceeds of CAD \$10,100,020.20 (the "Brokered Financing"), that were held in escrow pending completion of the RTO. On February 28, 2018 the subscription receipts converted into common shares of the Company at a price of CAD \$.775 per share upon completion of the RTO transaction.

Reverse Acquisition Transaction ("RTO")

Effective February 28, 2018 the Company (formerly Sherpa Holdings Corp.) and Nubeva, Inc. entered into an agreement (the "Merger Agreement") under which the Company acquired 100% the issued and outstanding securities of the Nubeva, Inc. resulting in a reverse acquisition, and completed a private placement of subscription receipts (the "Transaction").

In connection with the Transaction, immediately prior to the effective date the Company consolidated its shares on the basis of one post consolidation share for each five pre-consolidation shares and adjusted its outstanding share purchase warrants and incentive stock options to reflect the consolidation. Immediately prior to completion of the Merger Agreement, the Company had 1,551,100 common shares outstanding; 133,000 incentive stock options with a strike price of CAD \$0.50 (US \$0.39) per share and 67,110 common share purchase warrants with a strike price of CAD \$0.50 (US \$0.39) per share. The currency exchange rate used to report the Transaction was 1.2809, being the exchange rate on February 28, 2018.

Effective December 21, 2017, in connection with the Transaction, Nubeva, Inc. completed a brokered private placement of subscription receipts for gross proceeds of CAD\$ 10,100,020 (US\$ 7,885,097). Upon closing the Transaction, the Company issued 13,032,284 common shares at a price of CAD\$ 0.775 (US\$0.605) per share in exchange for Nubeva, Inc. common shares issued in connection with the conversion of the subscription receipts.

Share issue costs of CAD\$1,133,290 (USD \$877,257) include a 6% cash commission in the amount of CAD \$606,001 (USD \$467,307), broker warrants valued at CAD \$349,061 (USD \$272,512) and the balance of \$178,228 (USD \$137,438) for legal and filing fees. Each broker warrant entitles the holder thereof to purchase one Company common share at an exercise price of CAD\$0.775 (US\$ 0.605) per share for a period of two years from the closing of the Transaction. The broker warrants were valued using the Black Scholes Option Pricing Model and the following assumptions used in the pricing model were as follows: risk-free interest rate – 1.25%; expected life – 2 years; expected volatility – 111.77%; expected forfeitures – nil%; and expected dividends – nil.

Immediately prior to closing the Transaction, Nubeva, Inc. converted its outstanding SAFE Agreements in the amount of \$2,250,000 into common shares of Nubeva, Inc. based on the terms of the SAFE Agreements.

Pursuant to the Merger Agreement, the Company issued 37,131,802 shares (comprised of 13,000,000 Restricted Voting Common Shares and 24,131,802 common shares) at a fair value of CAD \$0.775 (\$US 0.605) per share in exchange for the issued and outstanding common shares of Nubeva, Inc., after conversion of the SAFE Agreements and before the conversion of subscription receipts. As a result, excluding the issuance of subscription receipts, the shareholders of Nubeva, Inc. obtained control of the Company through the acquisition of approximately 97% of the common shares of the combined entity and the Transaction has been accounted for as a reverse takeover (“RTO”) where Nubeva, Inc. is the accounting acquirer.

Stock options and common share purchase warrants of Nubeva, Inc. were exchanged for similar equity securities of the Company on the basis of one Nubeva, Inc. share for every 0.77419 shares of the Company.

Immediately prior to closing, Nubeva, Inc. had 50,164,086 common shares issued and outstanding after having given effect to the following:

	Nubeva, Inc. common shares	Company common shares and Restricted Voting Common Shares issued for RTO
Common Shares issued and outstanding prior to conversion of SAFE Agreements and subscription receipts	40,060,000	31,014,195
Shares issued on conversion of SAFE Agreements	7,901,910	6,117,607
Shares issued on conversion of subscription receipts	16,833,367	13,032,284
Total issued and outstanding common shares immediately prior to completion of the Transaction	64,795,278	50,164,086

The RTO has been accounted for as a share-based payment transaction on the basis that Sherpa Holdings Corp. was a Capital Pool Company and did not meet the definition of a business as it had no ongoing business operation. As Nubeva, Inc. is deemed to be the acquirer for accounting purposes, its assets, liabilities and operations since incorporation are included in these consolidated financial statements at their historical carrying values. The Company’s results of operations have been included from February 28, 2018, the date of the RTO. For purposes of this Transaction, the consideration received was the fair value of the net assets of the Company which on February 28, 2018 was \$165,131. This amount was calculated as follows:

Fair value of 1,551,100 shares of Sherpa Holdings Corp.	\$ 938,483
67,110 share purchase warrants assumed	27,039
133,000 stock options assumed	63,457
Total fair value of Sherpa Holdings Corp. capital	1,028,979

Cash	263,134
Prepaid expenses	94,985
GST/HST recoverable	3,460
Accounts payable and accrued liabilities	(196,448)
Net assets acquired	165,131
Consideration paid	863,848
Other listing expenses:	
Legal expenses	138,635
Filing Fees	23,382
Tax advisory	104,454
Total listing expense	\$ 1,130,319

The Company charged \$1,130,319 to the statement of comprehensive loss on the date of the RTO.

4. Future Plans and Outlook

Trends

Cybersecurity spending has been estimated to exceed \$1 trillion from 2017 to 2021 — The rising tide of cybercrime has pushed information security (a subset of cybersecurity) spending to more than \$86.4 billion in 2017, according to Gartner. That doesn't include an accounting of internet of things (IoT), industrial IoT, and industrial control systems (ICS) security, automotive security, and other cybersecurity categories. Global spending on cybersecurity products and services are predicted to exceed \$1 trillion over five years, from 2017 to 2021.

The size, scope and level of sophistication of cybersecurity threats increase by leaps and bounds. Recent statistics show that organizations and individuals continue to struggle against a growing array of cyber adversaries. The need for best-of-breed security for every device, application and individual is pertinent.

Market Trends:

- 30 billion Internet of Things (IoT) connected devices by 2020 (statista)
- Worldwide businesses will spend \$101.6 billion on cybersecurity in 2020 (zacks)
- 95% of breached records in 2016 came from the Government, retail, and technology industries (techrepublic.com)
- 70% of US oil and gas companies were hacked last year (Businesswire)
- Over 75% of the healthcare industry has been infected with malware (scmagazine)

Corporate Spending Trends:

Many corporations are hesitant to announce breaches they've suffered — and the amounts of their increased security budgets — for fears of reputational damage and antagonizing cybercriminals.

There are some corporations who have come forward with increased cybersecurity budgets.

- J.P. Morgan Chase & Co. doubled its annual cybersecurity budget from \$250 million to \$500 million.
- Bank of America has gone on the record stating it has an unlimited budget when it comes to combating cybercrime. This equated to approximately \$1000/employee/year.(Forbes)
- Microsoft Corp. has publicly stated that it will continue to invest over \$1 billion annually on

cybersecurity research and development in the coming years, according to a senior executive at the tech giant. (Reuters)

- The White House states the U.S. Government will invest over \$19 billion for cybersecurity as part of the President's Fiscal Year (FY) 2017 Budget [17]. That is up from the \$14 billion budget in FY 2016. This represents a more than 35% increase from FY 2016 in overall federal resources for cybersecurity, a necessary investment to secure the United States in the future.

Plans

Nubeva is planning to perform the following activities during the year ending April 30, 2019:

Plans	
(a)	continue the development of the StratusEdge software to provide new feature sets and applications.
(b)	Complete the Chevron Catalyst program requirement
(c)	Expand sales capabilities to include: <ul style="list-style-type: none"> (i) Channel marking support program (ii) Direct enterprise sales program (iii) Sales and marketing documentation
(d)	Complete Token Pre-Sales and develop CBR Network

5. Summary of Annual Results

Annual results for the years ended April 30, 2018, 2017 and 2016 are as follows:

Income Statement Data	Year Ended April 30, 2018	Year Ended April 30, 2017	Year ended April 30, 2016 (reported since inception of March 30, 2016)
Revenue	707,513	Nil	Nil
Expenses	(2,969,590)	(738,432)	(3,286)
Net Loss from continuing operations	(2,262,077)	(738,432)	(3,286)
Listing Expense	(1,130,319)	-	-
Fair value loss on debt	(1,451,152)	-	-
Other comprehensive income (loss)	(37,436)	(1,036)	-
Comprehensive loss for the period	(4,966,735)	(739,468)	(3,286)

Loss per share – basic and diluted	(0.10)	(0.02)	-
Weighted average number of common shares	47,949,167	40,000,000	40,000,000
Balance Sheet Data	April 30, 2018	April 30, 2017	April 30, 2016
Current and total assets	7,805,392	932,371	4,000
Current liabilities	699,987	138,003	3,286
Long-term liabilities	-	1,525,000	-
Accumulated deficit	(5,671,017)	(741,718)	(3,286)
Total Equity (Deficiency)	7,105,405	(730,632)	714

Revenue and Gross Margin

Nubeva commenced earning revenue during the year ended April 30, 2018 from the sale of Software as a Service (SaaS) contracts and also from customization services. In addition to earning revenues from services, Nubeva earned revenue from token pre-sales based on Nubeva licensing its software for open source use.

Revenue for the year ended April 30, 2018:

	Year ended April 30, 2018	Year ended April 30, 2017
Subscriptions	\$ 147,250	\$ -
Software and services	506,263	-
Professional and customization services	54,000	-
Totals	\$ 707,513	\$ -

Nubeva's costs related to the SaaS revenue are expensed in the period in which they are incurred as software development costs as they are not reliably measurable. During the year ended April 30, 2018 58% of Nubeva's revenues were derived from sales to customers in the United States. It is anticipated that the United States will continue to be the Company's primary market for SaaS contracts and professional and customization services. 42% of revenues were earned from a new operating segment as it commenced the development of CBR Network.

Expenses

Total expenses for the six month period ended April 30, 2018 exceeded expenses of the entire prior year as Nubeva increased its software development personnel to support the Chevron Catalyst Program as well as other software development initiatives and as Nubeva commenced building a sales and marketing team. The increase is expenses in mainly due to increased personnel costs.

(i) General and Administrative

General and administrative expense increased by 530% over the comparable period primarily due to increased personnel costs.

(ii) Research and development Expense

Research and development increased by 213% over the prior year. 76% of the increase is due to increased personnel costs as the company increased its development activities; 35% is mainly due to services contracts entered into to develop the Company's CBR Network; and 11% is a reduction in expense due to the Company's refundable research and development tax credit.

(iii) Sales and Marketing Expense

Sales and marketing activities commenced in fiscal 2018 with the commercialization of the Company's StratusEdge software. 77% of sales and marketing expenditure is attributable to personnel, with the balance to travel and overheads.

(iv) Stock based compensation expense

Stock based compensation expense for the year ended April 30, 2018 increased over the prior comparable year, primarily due to the issuance of post-RTO stock options. Subject to shareholder approval the Company has implemented a new stock-based compensation program comprised of incentive stock options and Restricted Stock Units ("RSU's"). Stock options and RSU's are used to align the goals of the Company employees and Management with other equity stakeholders of the Company. The Company recommends adding RSU's as a compensation component to be able to attract and retain key employees.

(v) Other

The Company earned interest income for the year of \$9,439 from funds raised in the Company's December 21, 2018 private placement (2017 – Nil). The Company realized a foreign exchange loss on subscription receipts held in Canadian dollars pending completion of its RTO.

The Company recorded a fair value loss on debt relating to the conversion of SAFE Agreements to common shares of the Company in connection with its RTO Transaction. SAFE Agreements with a face value of \$700,000 were issued to officers and employees of the Company, converted into 2,709,677 common shares with a value of \$1,639,355.

Listing expense relates to the cost of the Company's RTO Transaction and is based on the fair value of capital assumed of \$1,028,979, legal and tax fees of \$266,471, less the value of net assets acquired of \$165,131.

Financial Position

(i) Current and Total Assets

Assets as at April 30, 2018 increased by \$6,873,021 over the prior year primarily due to financing activities. During the year ended April 30, 2018, Nubeva raised capital of \$725,000 (year ended April 30, 2017 - \$1,525,000) by the issuance of SAFE Agreements and raised \$ 7,291,644 from the issuance of common shares, \$471,813 from the exercise of broker compensation warrants and \$77,162 from the issuance of options.

(i) Liabilities

Current liabilities increased by \$561,984 to \$699,987. The increase is due \$135,000 (17%) to accruals for fees relating to the Company's RTO Transaction and \$426,984 (52%) due to accruals with respect to development of CBR Network.

Long-term debt of \$1,525,000 on April 30, 2018 was converted to common shares.

6. Quarterly Highlights

For the quarter ended:

	April 30, 2018	January 31, 2018	October 31, 2017	July 31, 2017	April 30, 2017	January 31, 2017	October 31, 2016	July 31, 2016
Revenue	\$469,388	\$123,125	\$115,000	-	-	-	-	-
Total Expenses	1,662,040	523,720	496,458	287,372	436,229	195,160	94,203	12,840
Net loss from operations	(1,192,652)	(400,595)	(381,458)	(287,372)	(436,229)	(195,160)	(94,203)	(12,840)
Listing Expense	(1,130,319)	-	-	-	-	-	-	-
Loss on extinguishment of debt	(1,451,152)	-	-	-	-	-	-	-
Other comprehensive gain (loss)	(40,157)	(374)	5,021	(1,926)	(1,273)	90	494	(347)
Net Comprehensive Loss	\$(3,900,031)	\$(400,969)	\$(376,437)	\$(289,298)	\$(437,502)	\$(195,070)	\$(93,709)	\$(13,187)

Nubeva earned revenue during the three quarters ended April 30, 2018 under customization contracts with customers. Revenue is recognized as Nubeva customizes the software for a customer's applications, delivers the software and it is tested and approved by the Customer. Nubeva also earned revenues from the provision of licenses and related services. Nubeva's costs related to the revenue are expensed in the period in which they are incurred as software development costs as they are not reliably measurable.

During the quarter ended April 30, 2018, 64% of revenue was recognized from Token pre-sales of its wholly owned subsidiary, CBR Project. Revenues recognized represent the non-refundable portion of revenues received.

Total expenses for the quarter ended April 30, 2018 increased by 291% over the previous quarter. The increase is due 15% to an increase in stock-based compensation for the quarter, 14% due to increased general and administrative costs, 47% to an increase in research and development and 24% due to sales and marketing. 38% of the increase in research and development costs was due to expenses of its newly incorporated Singapore subsidiary. General business activity increased during the year with the commencement of the Company's sales and marketing activities during the last two fiscal quarters, as the Company commercialized its StratusEdge software. The Company plans to continue to increase business

activities over the ensuing year. It is anticipated that expenses for the Company's Singapore subsidiary shall not exceed its revenues commencing in the third quarter of 2019.

The increase in the Company's net comprehensive loss for the most recently completed quarter is due to the increase in expenses in addition to listing expense recorded on the Company's RTO Transaction and due to the fair value loss on debt.

There are no known trends or seasonal impacts on the Company's business although it is anticipated that seasonal trends will develop as the Company grows, which will be mitigated in part due to the planned global nature of the Company's business.

7. Use of Proceeds

The Company raised \$7,885,097 from the issuance of common shares in connection with the RTO Transaction set out in paragraph 3. The following table sets the actual capital available upon closing the RTO transaction together with the private placement on February 28, 2018.

	Estimated available capital	Actual available capital on closing
Proceeds of offering, net of Issue costs and RTO closing costs	7,260,190	7,013,881
Working capital immediately prior to closing	638,880	788,328
Net available capital	7,899,070	7,802,209

The following table sets out the estimated use of proceeds stated as at February 28, 2018 and the actual use of proceeds to April 30, 2018.

	Estimated use of proceeds to August 31, 2019	Actual use of proceeds to April 30, 2018
Engineering and design	2,150,000	759,508
Sales and marketing	2,200,000	329,504
Operations and administration	2,450,000	292,404
General working capital	1,099,070	-
Use of proceeds	\$7,899,070	1,302,665

8. Liquidity and Capital Resources

Until Nubeva earns an operating surplus, it is reliant on its ability to raise capital in order to settle its debts as they come due. At April 30, 2018, Nubeva had a working capital surplus of \$7,105,405 (April 30, 2017 – \$794,368). Nubeva has no long-term commitments.

As at April 30, 2018, Nubeva had cash of \$7,501,346, an increase of \$6,586,211 compared to cash at April 30, 2017. At April 30, 2017, Nubeva had cash of \$915,135 compared to cash of Nil at April 30, 2016. The increase in cash for the year ended April 30, 2018 was primarily due to the Company's private placements

in the aggregate amount of \$7,291,644, warrants exercised for proceeds of \$471,813, funds raised from the issuance of SAFE Agreements, less cash of \$1,951,181 used for operations.

Satisfaction of Cash Obligations for the Next 12 Months

The consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. As shown in these financial statements, at April 30, 2018, Nubeva has an accumulated deficit of \$5,671,017 (2017: \$741,718) and negative cash flows from operating activities of \$1,941,972 (2017 - \$612,829). The company had a working capital surplus of \$7,105,405 (2017 - US\$794,368). The available working capital as at April 30, 2018 is estimated to be adequate to finance Nubeva's planned operations over the next 12 months.

9. Related Party Transactions

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

	Year ended April 30, 2018	Year ended April 30, 2017
Salary	\$ 469,073	\$ 79,597
Bonus	277,998	-
Consulting	212,678	43,426
Board services	10,000	-
Share-based compensation	88,597	1,840
	\$ 1,058,346	\$ 124,863

As at April 30, 2017, the Company had Simple Agreements for Future Equity ("SAFE") due to Officers and Directors in the aggregate amount of \$700,000 which were converted to common shares effective February 28, 2018 in connection with the RTO.

10. Off-Balance Sheet Arrangements

As at April 30, 2018 and April 30, 2017, Nubeva did not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of Nubeva, including, and without limitation, such considerations as liquidity and capital resources.

11. Significant Accounting Policies

Basis of Consolidation

The consolidated financial statements include the accounts of Nubeva and its wholly owned subsidiary, Nubeva Pty Ltd. All inter-company accounts and transactions have been eliminated in preparing the consolidated financial statements.

Revenue Recognition

The Company primarily derives revenue from the provision of cloud-based 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 adopted IFRS 15 - Revenue from Contracts with Customers as of May 1, 2017, prior to its required adoption date of for reporting periods beginning on or after January 1, 2018. IFRS 15 provides a single principle-based framework to be applied to all contracts with customers. Revenue is recognized when a customer obtains control of a good or service. Transfer of control occurs when a customer has the ability to direct the use of and obtain the benefits of the good or service. The framework has five steps for determination of revenue recognition:

- (1) There is a contract with a customer and it is probable that future economic benefits will flow to the Company;
- (2) The contractual performance obligations have been met by the Company;
- (3) The transaction price is determined;
- (4) The transaction price is allocated to performance obligations in the contract. If the contract contains a single performance obligation, the entire transaction price is allocated to the single performance obligation. Contracts that contain multiple performance obligations require an allocation of the transaction price to each performance obligation based on a relative standalone selling price; and
- (5) A performance obligation has been satisfied by transferring the contracted service to a customer.

We generate revenue from several sources:

- i Subscriptions. Sales of subscriptions to access our cloud platform, together with related support services to our customers. Customers are not granted the right to take control of our cloud software, but they are provided with access to our cloud platform over a period of time. Revenue is generally recognized over the contractual period on a straight-line basis. The typical subscription and support term is one year, non-cancellable and is payable in advance.
- ii Software and services. Revenue from software and services arrangements is recognized over the contract term, commencing when the software is available for use. Revenue for software licenses with no further obligations to the Company are recognized upon transfer of the software.
- iii Professional and customization services. Revenue from professional and customization services is recognized as earned, based on performance according to specific terms of the contract or on the basis of the percentage of completion method where the revenue is reconcilable to services performed as a proportion of total services to be completed.
- iv Multiple services. Contracts with customers that contain multiple services consisting of (i) subscription and support services and (ii) professional and other services that are distinct and accounted for separately. The transaction price is allocated to the separate performance obligations on a relative SSP basis. We determine SSP based on our overall pricing objectives, taking into consideration the type of subscription and support services and professional and other services, the geographical region of the customer and the number of users.
- v Token sales and token pre-sales. The Company enters into agreements to issue tokens that are expected to trade on a token network outside Canada and the United States. Revenue from such contracts is recognized at such time that the consideration has been received and a benefit has been provided to the purchaser.

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

Research and Development

Nubeva 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.

Nubeva is eligible to receive tax credits from its eligible research and development expenditures. Nubeva records the anticipated tax credits as a reduction in the costs to which they apply, at such time that the amount of tax credits is estimable and their receipt is reasonably assured. As at April 30, 2018, Nubeva has estimated tax credits receivable of \$148,133 (2017 – Nil).

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.

Share-Based Payments

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, as determined using the Black-Scholes Option Pricing Model which incorporates all market vesting conditions, is expensed in profit or loss. The corresponding amount is recorded to share-based payment reserve. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that will eventually vest.

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.

Foreign Currencies

Nubeva's reporting and functional currency is United States Dollars. The functional currency of Nubeva's Australian subsidiary, Nubeva Pty, is Australian Dollars.

For the purposes of presenting consolidated financial statements, the assets and liabilities of Nubeva's Australian operations 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 significant 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.

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.

Financial Assets

Financial assets are classified as financial assets at fair value through profit or loss (“FVTPL”), held-to-maturity, loans and receivables, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. Nubeva determines the classification of its financial assets at initial recognition. Financial assets are recognized initially at fair value. The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at FVTPL

Financial assets are classified as held for trading and are included in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives, other than those designated as effective hedging instruments, are also categorized as held for trading. These assets are carried at fair value with gains or losses recognized in profit or loss. Transaction costs associated with financial assets at FVTPL are expensed as incurred. At April 30, 2018 and 2017, Nubeva has no financial assets classified as FVTPL.

Held-to-maturity and loans and receivables

Held-to-maturity and loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortized cost using the effective interest method if the time value of money is significant. Gains and losses are recognized in profit or loss when the financial asset classified in this category are derecognized or impaired, as well as through the amortization process. Transaction costs are included in the initial carrying amount of the asset. At April 30, 2018 and 2017, cash and accounts receivables are classified as loans and receivables. There was no financial asset classified as held-to maturity.

Financial Liabilities

Financial liabilities are classified as financial liabilities at FVTPL, derivatives designated as hedging instruments in an effective hedge, or as financial liabilities measured at amortized cost, as appropriate. Nubeva determines the classification of its financial liabilities at initial recognition. The measurement of financial liabilities depends on their classification, as follows:

Financial liabilities at FVTPL

Financial liabilities at FVTPL has two subcategories, including financial liabilities held for trading and those designated by management on initial recognition. Transaction costs on financial liabilities at FVTPL are expensed as incurred. These liabilities are carried at fair value with gains or losses recognized in profit or loss. Derivative liabilities are included in this category of financial liabilities.

Financial liabilities measured at amortized cost

All other financial liabilities are initially recognized at fair value, net of transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Gains and losses arising on the repurchase, settlement or cancellation of liabilities are recognized respectively in interest, other revenues and finance costs. At April 30, 2018 and 2017, Nubeva classified accounts payable as financial liabilities measured at amortized cost.

12. Accounting Standards and Amendments Issued but Not Yet Adopted

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 year ended April 30, 2018 are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. None of these are expected to have a material effect on the financial statements of the Company and the Company does not anticipate early adoption.

IFRS 9	Financial Instruments (i)
IFRS 16	Leases (ii)

- i) Effective for annual periods beginning on or after January 1, 2018
- ii) 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.

Comprehensive Income or Loss

Nubeva reports comprehensive income or loss in its consolidated financial statements. In addition to items included in net income or loss, comprehensive income or loss includes items charged or credited directly to stockholders' equity, such as foreign currency translation adjustments.

13. Share Capital

As at the date of this MD&A the company had the following outstanding securities:

- (i) 39,786,929 common shares issued and fully paid;
- (ii) 13,000,000 Restricted Voting Common Shares issued and fully paid;
- (iii) 5,098,888 stock options with a weighted average exercise price of CAD \$0.28;
- (iv) 36,656 broker compensation warrants with an exercise price of \$0.78 per share, expiring February 28, 2020; and
- (v) compensation warrants with an exercise price of \$0.78 per share, expiring February 28, 2020; and
- (vi) 292,338 warrants with an exercise price of CAD \$0.62 per shares, expiring on February 28, 2019.

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 April 30, 2018, there were 25,272,582 common shares in escrow, which included 9,750,000 Restricted Voting Common shares and 15,522,582 common shares.

14. Risk Factors

Going Concern Assumption.

The consolidated financial statements of Nubeva have been prepared in accordance with IFRS on a going concern basis, which presumes that Nubeva will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. Nubeva's continuation as a "going concern" is uncertain and is dependent upon, amongst other things, attaining a satisfactory revenue level, the support of its customers, its ability to continue profitable operations, the generation of cash from operations, and its ability to obtain financing arrangements and capital in the future. These material uncertainties represent risks to Nubeva's ability to continue as a going concern and realize its assets and pay its liabilities as they become due. If the "going concern" assumption was not appropriate for the consolidated financial statements, then adjustments would be necessary to the carrying values of assets and liabilities, the reported expenses and the balance sheet classifications used. Such adjustments could be material.

Access to Capital

From time to time, Nubeva may need additional financing, including funding potential acquisitions. Its ability to obtain additional financing, if and when required, will depend on investor demand, Nubeva's operating performance, the condition of the capital markets, and other factors. To the extent Nubeva draws on its credit facilities, if any, to fund certain obligations, it may need to raise additional funds and Nubeva cannot provide assurance that additional financing will be available to it on favorable terms when required, or at all. If Nubeva raises additional funds through the issuance of equity, equity-linked or debt securities, those securities may have rights, preferences, or privileges senior to the rights of the Resulting Issuer Common Shares, and existing shareholders may experience dilution.

Key Personnel

Nubeva currently depends on the continued services and performance of its key personnel, including its executive officers. The loss of key personnel could disrupt Nubeva's operations and have an adverse effect on its business and financial results.

As Nubeva continues to grow, it cannot guarantee that it will continue to attract the personnel it needs to maintain its competitive position. As Nubeva grows and scales its business, the total cash and equity compensation structure necessary to retain and attract key personnel may have to change to be in line with market rates for the verticals in which Nubeva competes. If Nubeva does not succeed in attracting, hiring, and integrating key personnel with industry-specific experience, or retaining and motivating existing personnel, it may be unable to grow effectively.

Intellectual Property

Nubeva's software is proprietary. Nubeva's strategy is to rely on a combination of copyright, patent, trademark and trade secret laws in the United States and other jurisdictions, and to rely on license and confidentiality agreements and software security measures to further protect its proprietary technology and brand. Nubeva has obtained or applied for patent protection with respect to some of its intellectual property,

but generally does not rely on patents as a principal means of protecting its intellectual property. Nubeva has registered or applied to register some of its trademarks in the United States and in selected other countries. Nubeva generally enters into non-disclosure agreements with its employees and customers, and historically has restricted third-party access to its software and source code, which it regards as proprietary information.

The steps Nubeva has taken to protect its proprietary rights may not be adequate to avoid the misappropriation of its technology or independent development by others of technologies that may be considered a competitor. Nubeva's intellectual property rights may expire or be challenged, invalidated or infringed upon by third parties or it may be unable to maintain, renew or enter into new licenses on commercially reasonable terms. Any misappropriation of Nubeva's technology or development of competitive technologies could harm its business and could diminish or cause it to lose the competitive advantages associated with its proprietary technology, and could subject it to substantial costs in protecting and enforcing its intellectual property rights, and/or temporarily or permanently disrupt its sales and marketing of the affected products or services. The laws of some countries in which Nubeva's products are licensed do not protect its intellectual property rights to the same extent as the laws of the United States. Moreover, in some non-U.S. countries, laws affecting intellectual property rights are uncertain in their application, which can affect the scope of enforceability of Nubeva's intellectual property rights.

Risk of cyber-attack

Nubeva devotes significant resources to continually updating its software and developing new products, and its financial performance is dependent in part upon its ability to bring new products and services to market. Nubeva's customers use its software to monitor their assets and rely on Nubeva to provide updates and releases as part of its software maintenance and support services. The security of Nubeva's information technology environment is therefore important to its research and development initiatives, and an important consideration in its customers' purchasing decisions. If the security of Nubeva's systems is impaired, its development initiatives might be disrupted, and it might be unable to provide service. Nubeva's customer relationships might deteriorate, its reputation in the industry could be harmed, and it could be subject to liability claims. This could reduce Nubeva's revenues, and expose it to significant costs to detect, correct and avoid any breach of security and to defend any claims against it.

Licensing from third parties.

Nubeva occasionally licenses technology, including software and related intellectual property, from third parties for use in its products and may be required to license additional intellectual property. There are no assurances that Nubeva will be able to maintain its third-party licenses or obtain new licenses when required on commercially reasonable terms, or at all.

Information technology systems.

Nubeva's operations depend in part upon IT systems. Nubeva's IT systems are subject to disruption, damage, or failure from many sources, including computer viruses, security breaches, natural disasters, power loss, and defects in design. To date, Nubeva has not experienced any material losses relating to IT system disruptions, damage or failure, but there are no assurances that it will not incur such losses in the future. Any of these and other events could result in IT systems failures, operational delays, production downtimes, destruction or corruption of data, security breaches, or other manipulation or improper use of Nubeva's systems and networks.

Nubeva's products are highly technical and complex. Nubeva's products may now or in the future contain undetected errors, bugs, or vulnerabilities. Some errors in Nubeva's products may only be discovered after

they have been released. Any errors, bugs, or vulnerabilities discovered in Nubeva's products after release could result in damage to Nubeva's reputation, loss of users, loss of revenue, or liability for damages, any of which could adversely affect Nubeva's business and financial results.

If Nubeva's products are unable to work with devices, platforms or interfaces to deliver targeted user experiences, this could adversely affect Nubeva's business and financial results.

Nubeva is dependent on the interoperability of StratusEdge with popular cloud systems that it does not control, such as Microsoft Azure or Amazon AWS. Any changes in such systems that degrade the functionality of Nubeva's products or give preferential treatment to competitive products could adversely affect Nubeva's business and financial results.

Reliance on third party networks.

Nubeva is dependent on third party mobile networks such as those provided by major telecommunications companies to provide services. These third-party networks are controlled by third parties and are subject to compromise or failure. Extended disruptions of such networks could adversely affect Nubeva's business and financial results.

Branding

Nubeva believes that the StratusEdge brand will significantly contribute to the success of its business. StratusEdge also believes that maintaining and enhancing its own brands, in particular the StratusEdge brand, is critical to expanding its base of users. Many of its new users are referred by existing users, and therefore strives to ensure that users remain favorably inclined towards StratusEdge. Maintaining and enhancing the StratusEdge brand will depend largely on Nubeva's ability to continue to provide useful, reliable, trustworthy, and innovative products, which it may not do successfully. Nubeva may introduce new products or terms of service that users do not like, which could adversely affect Nubeva's business and financial results.

Nubeva believes that the StratusEdge brand will continue to significantly contribute to the success of its business. Nubeva intends to spend significant resources on increasing the market awareness of the StratusEdge brand and expanding its sales and marketing operations. There is no guarantee that Nubeva will be successful in its efforts to increase market awareness. Failure to increase market awareness of the StratusEdge brand or the failure of customers to adopt the StratusEdge brand could adversely affect Nubeva's business and financial results.

Ability to continue product development

Nubeva's success depends upon its ability to design, develop, test, market, license and support new software products, services, and enhancements of current products and services on a timely basis in response to both competitive threats and marketplace demands. The software industry is increasingly focused on cloud computing, mobility, social media and SaaS among other continually evolving shifts. In addition, Nubeva's software products, services, and enhancements must remain compatible with standard platforms and file formats. Often, Nubeva must integrate software licensed or acquired from third parties with its proprietary software to create or improve its products. If Nubeva is unable to achieve a successful integration with third party software, it may not be successful in developing and marketing its new software products, services, and enhancements. If Nubeva is unable to successfully integrate third party software to develop new software products, services, and enhancements to existing software products and services, or to complete the development of new software products and services which it licenses or acquires from third parties, its operating results will materially suffer. In addition, if the integrated or new products or enhancements do

not achieve acceptance by the marketplace, Nubeva's operating results will materially suffer. Moreover, if new industry standards emerge that Nubeva does not anticipate or adapt to, or with rapid technological change occurring, if alternatives to its services and solutions are developed by its competitors, its software products and services could be rendered obsolete, causing it to lose market share and, as a result, harm its business and operating results, and its ability to compete in the marketplace.

Failure to attract customers

Nubeva's ability to retain, increase, and engage its user base and to increase its revenue will depend heavily on Nubeva's ability to create or acquire successful new products, both independently and in conjunction with software and platform developers or other third parties.

Nubeva may introduce significant changes to its existing products or develop and introduce new and unproven products, including using technologies with which it has little or no prior development or operating experience. If new or enhanced products fail to engage users, Nubeva may fail to attract or retain users or to generate sufficient revenue, operating margin, or other value to justify certain investments, and the business may be adversely affected. In the future, Nubeva may invest in new products and initiatives to generate revenue. There is no guarantee these approaches will be successful. If Nubeva is not successful with new approaches to monetization, it may not be able to maintain or grow its revenue as anticipated or recover any associated development costs, which could adversely affect Nubeva's business and financial results.

Economic conditions

One factor that significantly affects Nubeva's financial results is the impact of economic conditions on the willingness of Nubeva's current and potential customers to make capital investments. Given the general uncertainty as to continued economic growth during the current post-recessionary global economy, Nubeva believes that customers continue to be cautious about sustained economic growth and have tried to maintain or improve profitability through cost control and constrained capital spending, which places additional pressure on departments to demonstrate acceptable return on investment. Current uncertain worldwide economic and political environments make it increasingly difficult for Nubeva, its customers and suppliers to accurately predict future product demand, which could result in an inability to satisfy demand for Nubeva's products and a loss of market share. Nubeva's revenues may decline in such circumstances and profit margins could be eroded, or Nubeva could incur significant losses.

Moreover, economic conditions worldwide may contribute to slowdowns in the markets in which Nubeva operates, resulting in reduced demand for Nubeva's solutions as a result of customers choosing to refrain from capital investments.

Continuing turmoil in the geopolitical environment in many parts of the world, including terrorist activities and military actions, as well as political and economic issues in many regions, continue to put pressure on global economic conditions. Nubeva's business and financial results and its ability to expand into other international markets may also be affected by changing economic conditions particularly germane to that sector or to particular customer markets within that sector.

Evolving domestic and foreign laws and regulations

Nubeva is subject to a variety of laws and regulations in Canada, the United States and abroad that involve matters central to its business, including user privacy, data protection, intellectual property, distribution, contracts and other communications, competition, consumer protection, crypto-currency, securities and taxation.

Foreign laws and regulations are often more restrictive than those in Canada or the United States. These Canadian, U.S. federal and state and foreign laws and regulations are constantly evolving and can be subject to significant change. In addition, the application and interpretation of these laws and regulations are often uncertain, particularly in the new and rapidly evolving industry in which Nubeva operates. In particular, laws and regulations regarding token offerings and related securities matters are evolving rapidly in Canada, the United States and abroad, and such changes or interpretations of laws and regulations could impact the Company's ability to complete its planned token offering which could adversely impact the Company's financial results.

Taxation with respect to cyber-currency is evolving in the United States and in other jurisdictions. Changes in taxation could materially affect the Company's financial results and could affect the Company's business due to reduced feasibility of certain plans and operations.

Existing and proposed laws and regulations can be and may be costly to comply with and can delay or impede the development of new products, result in negative publicity, increase Nubeva's operating costs, require significant management time and attention, and subject Nubeva to claims or other remedies, including fines or demands that Nubeva modify or cease existing business practices.

Competition

In North American and international markets, Nubeva faces competition from various types of technology businesses. Nubeva directly competes with those businesses providing cloud security platforms.

As Nubeva introduces new products and as its existing products evolve, or as other companies introduce new products and services, Nubeva may become subject to additional competition.

Some of Nubeva's current and potential competitors have significantly greater resources and hold advantageous competitive positions in certain market segments than Nubeva currently holds. These factors may allow Nubeva's competitors to respond more effectively than Nubeva to new or emerging technologies and changes in market requirements. Nubeva's competitors may develop products that are similar to Nubeva's or that achieve greater market acceptance, may undertake more far-reaching and successful product development efforts or marketing campaigns, or may adopt more aggressive pricing policies. Certain competitors could use strong or dominant positions in one or more markets to gain a competitive advantage against Nubeva. As a result, Nubeva's competitors may acquire and engage users of Nubeva's current products at the expense of the growth or engagement of its user base, which could adversely affect Nubeva's business and financial results.

Nubeva may not be able to grow at the rate anticipated.

Nubeva is a start-up company with no history of sales or profitability. If Nubeva is unable to achieve adequate revenue growth, its ability to become profitable may be adversely affected and Nubeva may not have adequate resources to execute its business strategy.

Growth may put substantial demand on Nubeva's resources.

Nubeva expects to experience substantial growth in its business. This growth may place significant demands on operational and financial resources. Nubeva may not be able to provide the scale of operation necessary to meet the potential growth. Many of Nubeva's expected systems and operational practices were implemented when Nubeva was at a smaller scale of operations than the scale intended for future periods. In addition, as Nubeva grows, it will need to implement new systems and software to run operations. As Nubeva's operations grow in size, scope and complexity, Nubeva will need to continue to improve and

upgrade its systems and infrastructure to offer an increasing number of customers enhanced services, solutions and features. Nubeva may choose to commit significant financial, operational and technical resources in advance of an expected increase in the volume of business, with no assurance that the volume of business will increase. Continued growth could also strain Nubeva's ability to maintain reliable service levels for existing and new customers, which could adversely affect its reputation and business.

The Company's planned Token Offering may be unsuccessful

Nubeva has committed significant resources in planning and developing its business model for the completion of a Token Offering, the creation and sale of Cyber-security Service Tokens ("CST's") and the completion of the CBR Network. There is no assurance that the Company will be successful in completing the planned Token Offering or issuance of CST's due a number of factors including an inadequate market for token offerings, the Company's failure to attract purchasers, increased competition for token offerings, and regulatory and securities issues that would prevent the planned Token Offering. The British Columbia Securities Commission and the TSX Venture Exchange may not approve the issuance of CST's or pre-sales of CST's. Further, Nubeva may not be successful in delivering the CBR Network due to issues including technology, regulatory or lack of available resources. If the Company is unable to complete the Token Offering it may not recover all of its costs, and its business could be materially affected.

Reliance on Customers.

Nubeva has significant customer concentration and the loss of any one customer may adversely impact its ability to attract or retain others.

Reliance on Partners

Nubeva has entered into arrangements with partners to assist with selling and marketing the products and services of Nubeva. The loss of any one partnership could have a material impact on the Company's ability to attract customers. Further, Nubeva's partners may not be successful in meeting their contract terms. The failure of any one supplier to meet its commitments could have a material impact on the Company's business and financial results.

Public company requirements

The requirements of being a public company may strain the Resulting Issuer's resources, divert management's attention and affect its ability to attract and retain executive management and qualified board members. As a reporting issuer, the Resulting Issuer will be subject to the reporting requirements of applicable securities legislation of the jurisdictions in which it is a reporting issuer, the listing requirements of the TSXV and other applicable securities rules and regulations. Compliance with these rules and regulations will increase the Resulting Issuer's legal and financial compliance costs, make some activities more difficult, time-consuming or costly and increase demand on its systems and resources. In addition, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs and making some activities more time-consuming. As a public company subject to these rules and regulations, the Resulting Issuer may find it more expensive for it to obtain director and officer liability insurance, and it may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors

could also make it more difficult for the Resulting Issuer to attract and retain qualified members of its board of directors, particularly to serve on its audit committee, and qualified executive officers.

The price of the securities of Nubeva may fluctuate

The price of Nubeva's securities will fluctuate, perhaps significantly, which may make it difficult for holders of securities of Nubeva to sell their securities at a time or price they find attractive.

The Resulting Issuer may issue additional equity securities

The board of directors of the Resulting Issuer may determine from time to time that it needs to raise additional capital by issuing additional Resulting Issuer Common Shares or other securities. Additional equity offerings may dilute the holdings of its existing shareholders or reduce the market price of its common stock, or both.

Asset Location and Legal Proceedings.

Substantially all of Nubeva's assets will be located outside of Canada, and therefore it may be difficult to enforce judgments obtained by Nubeva in foreign jurisdictions by Canadian courts. Similarly, to the extent that Nubeva's assets are located outside of Canada, investors may have difficulty collecting from Nubeva any judgments obtained in Canadian courts and predicated on the civil liability provisions of applicable securities legislation. Furthermore, Nubeva may be subject to legal proceedings and judgments in foreign jurisdictions.

Credit Risk

Credit risk is the risk of financial loss to Nubeva 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, Nubeva is exposed to credit risk from its customers and the related accounts receivable are subject to normal commercial credit risks. Until Nubeva'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.

Liquidity Risk

Liquidity risk is the risk that Nubeva will not be able to meet its financial obligations as they fall due. Nubeva's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Nubeva's reputation. Nubeva manages liquidity risk by closely monitoring changing conditions in its investees, participating in the day to day management and by forecasting cash flows from operations and anticipated investing and financing activities. As at April 30, 2018 the Company had a cash balance of \$7,501,346 (2017 - \$915,135) to settle current liabilities of \$699,987 (2017 - \$138,003).

Foreign Currency 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. The Company has not used any formal hedge arrangements.

As at April 30, 2018 and 2017, 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:

	April 30, 2018		April 30, 2017	
	Australian Dollars	Canadian Dollars	Australian Dollars	Canadian Dollars
Cash	\$ 309,456	\$ 692,534	\$ 27,533	\$ -
Accounts receivable	5,040	708	2,685	-
Income tax receivable	148,133	-	-	-
Accounts payable and accrued liabilities	(91,313)	(46,326)	(65,731)	-
Total	\$ 371,316	\$ 646,916	\$ (35,513)	\$ -

Based on the above net exposures, as at April 30, 2018, a 10% change in the Canadian Dollar to the US Dollar exchange rate would impact the Company's net loss by \$64,692 and a 10% change in the Australian Dollar to the US Dollar exchange rate would impact the Company's net loss by \$37,132.

Cyber-currency risk

Nubeva may accept cyber-currency such as Ethereum or Bitcoin as payment for its Token Offering. Prices of cyber-currencies are volatile and they are affected by various forces including global supply and demand, interest rates, exchange rates, inflation or deflation and the global political and economic conditions. The Company may not be able to liquidate its inventory of cyber-currency at its desired price if required. A decline in the market prices for coins could negatively impact the Company's financial results.

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.

Commitments

Premises Lease

Nubeva's facilities in San Jose, CA and in Sydney, Australia are rented under short-term leases. Nubeva has no material commitments.