

AADIRECTION CAPITAL CORP.

INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021

(Unaudited – Expressed in Canadian Dollars)

Notice of No Auditor Review

These unaudited interim financial statements of AADirection Capital Corp. (the “**Company**”) have not been reviewed by the auditors of the Company. This notice is being provided in accordance with Section 4.3 (3) (a) of National Instrument 51-102 - Continuous Disclosure Obligations.

AADIRECTION CAPITAL CORP.
Interim Statements of Financial Position
(Unaudited - Expressed in Canadian dollars)

	September 30 2021	December 31 2020
ASSETS		
Current assets		
Cash	\$ 370,720	\$ 100,000
Prepaid expenses (note 4)	25	-
	\$ 370,745	\$ 100,000
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 1,066	\$ 1,553
	1,066	1,553
SHAREHOLDERS' EQUITY		
Share capital (note 3)	375,922	100,000
Reserves (note 3)	85,045	-
Deficit	(91,288)	(1,553)
	369,679	98,447
	\$ 370,745	\$ 100,000

Basis of presentation (note 2)

Approved on behalf of the Board

Director "Michael Woods"
Michael Woods

Director "Mary Ma"
Mary Ma

The accompanying notes are an integral part of these interim financial statements

AADIRECTION CAPITAL CORP.Interim Statements of Loss and Comprehensive Loss
(Unaudited - Expressed in Canadian dollars)

	Three months ended	Nine months ended
	September 30, 2021	
Expenses		
Accounting and audit	\$ 472	\$ 3,792
Legal fees (recovery) (note 4 &7)	(21,720)	5,650
Listing and filing fees	804	26,001
Office and administration	22	236
Transfer agent fees	3,029	3,029
Share-based compensation	51,027	51,027
Net loss and comprehensive loss	\$ (33,634)	\$ (89,735)
Basic and diluted loss per share	\$ (0.01)	\$ (0.03)
Weighted average number of common shares outstanding	3,913,043	2,644,689

The accompanying notes are an integral part of these interim financial statements

AADIRECTION CAPITAL CORP.

Interim Statement of Cash Flow

(Unaudited - Expressed in Canadian dollars)

	Nine months ended September 30, 2021
Cash provided by (used in):	
Operating activities	
Net loss	\$ (89,735)
Add item not involving cash:	
Share-based compensation	51,027
Non-cash working capital items	
Prepaid expenses	(25)
Accounts payable and accrued liabilities	(487)
Cash used in operating activities	(39,220)
Financing activities	
Proceeds from issuance of shares	400,000
Share issue costs	(90,060)
Cash provided by financing activities	309,940
Change in cash	270,720
Cash, beginning of the period	100,000
Cash, end of the period	\$ 370,720

The accompanying notes are an integral part of these interim financial statements

AADIRECTION CAPITAL CORP.
Interim Statement of Changes in Equity
(Unaudited - Expressed in Canadian dollars)

	Number of Shares	Share Capital	Reserves	Deficit	Total Shareholders' Equity
Balance at December 31, 2020	2,000,000	\$ 100,000	\$ -	\$ (1,553)	\$ 98,447
Issue of common shares for cash pursuant to initial public offering (note 3)	4,000,000	400,000	-	-	400,000
Share issue costs (note 3)	-	(124,078)	34,018	-	(90,060)
Share-based compensation (note 3)	-	-	51,027	-	51,027
Net loss	-	-	-	(89,735)	(89,735)
Balance at September 30, 2021	6,000,000	\$ 375,922	\$ 85,045	\$ (91,288)	\$ 369,679

The accompanying notes are an integral part of these interim financial statements

AADIRECTION CAPITAL CORP.
Notes to the Interim Financial Statements

For the three and nine months ended September 30, 2021
(Unaudited - Expressed in Canadian dollars)

1. NATURE OF OPERATIONS

AADirection Capital Corp. (the "**Company**") was incorporated under the Business Corporations Act of British Columbia on December 1, 2020 and is a capital pool company as defined by TSX Venture Exchange ("**TSXV**") Policy 2.4 (the "**Policy**"). The Company's principal business is to identify and evaluate businesses or assets with a view to completing a Qualifying Transaction ("**QT**") as defined in the Policy. The Company is listed on the TSX Venture Exchange under the symbol "AAD.P".

Until the completion of a QT, the proceeds raised from the issuance of share capital may only be used for the identification and evaluation of assets or businesses for acquisition and amalgamation with the exception that not exceeding \$3,000 per month may be used for reasonable general and administrative expenses of the Company.

The Company's head office, principal address and registered and records office is 2110 – 28 Street, West Vancouver, B.C., V7V 4M3.

The outbreak of the Coronavirus Disease 2019, or COVID-19, has spread across the globe and is impacting worldwide economic activity. This global pandemic poses the risk that the Company or its clients, employees, contractors, suppliers, and other partners may be unable to conduct regular business activities for an indefinite period of time. At this point, the impact on the Company has been minimal. The Company continues to monitor the situation and is taking all necessary precautions in order to follow rules and best practices as set out by the federal and provincial governments.

2. BASIS OF PRESENTATION

Statement of compliance

These interim financial statements are 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 International Accounting Standard ("**IAS**") 34, Interim Financial Reporting, and the International Financial Reporting Interpretations Committee ("**IFRIC**").

The Company has consistently applied the same accounting policies in its interim financial statements and throughout all periods presented. These interim financial statements do not contain all of the information required for full annual financial statements and, accordingly, should be read in conjunction with the audited financial statements of the Company for the period from incorporation on December 1, 2020 to December 31. As the Company was incorporated on December 1, 2020, it has no comparative information for the nine months ended September 30, 2020.

These interim financial statements were approved and authorized to issue on November 18, 2021.

AADIRECTION CAPITAL CORP.
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(Unaudited - Expressed in Canadian dollars)

2. BASIS OF PRESENTATION (continued)

Going Concern Assumption

The Company has not generated any revenues or cash flows from operations and relies on financing for its activities, and its continuation as a going concern is dependent upon its ability to complete a QT and raise additional financing if required. These interim financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation.

For the nine months ended September 30, 2021, the Company incurred a loss of \$89,735. The Company had working capital of \$369,679 and a cumulative deficit of \$91,288 as at September 30, 2021, as compared to working capital of \$98,447 and an accumulated deficit of \$1,553 as at December 31, 2020.

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to twelve months from the end of the reporting period. Management is aware, in making its assessment, of material uncertainties related to events and conditions that may cast a significant doubt upon the Company's ability to continue as a going concern as described above, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. These interim financial statements do not include any adjustments relating to the realization of assets and liquidation of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

Measurement Basis

These interim financial statements are prepared on the historical cost basis except for certain financial instruments, which are measured at fair value as explained in the accounting policies within Note 3 of the December 31, 2020 financial statements. All amounts are expressed in Canadian dollars unless otherwise stated.

New accounting standards issued but not yet effective

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements.

AADIRECTION CAPITAL CORP.
Notes to the Interim Financial Statements

For the three and nine months ended September 30, 2021
(Unaudited - Expressed in Canadian dollars)

3. SHARE CAPITAL

Authorized

Unlimited common shares (“Common Shares”) without par value

Issued

Shares issued and outstanding as at September 30, 2021 are 6,000,000 (December 31, 2020 – 2,000,000).

In December 2020, the Company issued 2,000,000 Common Shares at a price of \$0.05 per share for gross proceeds of \$100,000.

On July 8, 2021, the Company completed its Initial Public Offering (“IPO”) and commenced trading as a capital pool company with TSXV on August 17, 2021. The Company issued a total of 4,000,000 common shares at a price of \$0.10 per share for gross proceeds of \$400,000. In connection with this IPO, the Company paid cash commissions of \$55,000 and issued 400,000 broker warrants with a fair value of \$34,018. The fair value of broker warrants was \$0.085 per warrant estimated using the Black Scholes option pricing model with the risk-free interest rate of 0.81%, dividend yield of 0%, expected volatility of 127.90% and expected life of 5 years. Each warrant entitles the holder to purchase one common share at an exercise price of \$0.10 until August 17, 2026. In addition to the above costs, the Company paid legal fees and expenses of \$35,060.

Escrowed shares

Under the requirements of the TSXV, the 2,000,000 Common Shares issued as seed shares are held in escrow pursuant to the terms of a CPC Escrow Agreement and will be released from escrow in tranches over a period of 18 months from the date of the Final QT Exchange Bulletin as follows:

- 25% on the date of Final QT Exchange Bulletin;
- 25% on the date 6 months following Final QT Exchange Bulletin;
- 25% on the date 12 months following Final QT Exchange Bulletin; and
- 25% on the date 18 months following Final QT Exchange Bulletin.

Share-based Payments Reserve

Share-based payment reserve records items recognized as share-based compensation expense and other share-based payments until such time as the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

The Company has a stock option plan under which directors and officers are eligible to receive grants. Under the stock option plan, the granted stock options are exercisable over periods of up to ten years as determined by the Company’s Board of Directors. The maximum number of outstanding stock options under the plan is limited to 10% of the number of common shares outstanding. The number of stock options, the vesting periods, and the exercise price is set by the Company’s Board of Directors based on the market value at the time of granting.

AADIRECTION CAPITAL CORP.
Notes to the Interim Financial Statements

For the three and nine months ended September 30, 2021
(Unaudited - Expressed in Canadian dollars)

3. SHARE CAPITAL, continued

On August 17, 2021, the Company granted 600,000 incentive stock options to directors and officers of the Company. These options vested immediately and are exercisable at \$0.10 per share for a period of five years, expiring on August 17, 2026. The fair value was \$0.085 per option, estimated by using the Black-Scholes Option Pricing Model with risk-free interest rate of 0.81%, dividend yield of 0%, expected volatility of 127.9% and expected life of 5 years. During the nine months ended September 30, 2021, the Company recognized \$51,027 in share-based compensation relating to these grants.

Stock option activity for the nine months ended September 30, 2021 as follows:

	Nine months ended September 30, 2021	
	Number of Options	Weighted average exercise price
Outstanding - beginning of period	-	\$ -
Granted	600,000	0.10
Outstanding - end of period	600,000	\$ 0.10

Details of the share options outstanding and exercisable as at September 30, 2021 are as follows:

Expiry Date	Number of Options Outstanding	Number of Options Vested	Number of Options Unvested	Exercise Price	Weighted Average Remaining Life
August 17, 2026	600,000	600,000	Nil	\$ 0.10	4.88 years
	600,000	600,000	Nil	\$ 0.10	4.88 years

Warrants

As at September 30, 2021, the following warrants were outstanding:

	Number of Warrants	Weighted average exercise price	Expiry date	Remaining Life (years)
Issued in initial public offering	400,000	\$ 0.10	August 17, 2026	4.88
	400,000	\$ 0.10		4.88

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4. RELATED PARTY TRANSACTIONS

Key management personnel comprise the Company's Board of Directors and executive officers. No remuneration was paid to key management personnel during the nine-month period ended September 30, 2021.

During the nine months ended September 30, 2021, the Company incurred legal fees of \$20,160 to a sole practitioner law firm of which, Michael Woods, a director, is the sole practitioner. As of September 30, 2021, the Company has advanced \$25 to the law firm in respect of expenses, which is included in prepaid expenses.

The Company incurred stock-based compensation expense related to directors and officers valued at \$51,027 during the nine months ended September 30, 2021.

These related party transactions are in the normal course of business.

5. CAPITAL MANAGEMENT

The Company's objectives for the management of capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Company defines capital to include all the components of equity.

The Company is in the stage of identifying and evaluating potential acquisitions, and its primary objective in respect of capital management is to ensure it has sufficient cash resources to fund the identification and evaluation of businesses or assets for future investment.

Under the Policy, the proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses, with the exception that no more than the lesser of 30% of the gross proceeds from the sale of the Company's securities or \$210,000, may be used for purposes other than evaluating businesses or assets. These restrictions apply until the completion of a QT.

6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at September 30, 2021, the Company's financial instruments consist of cash and accounts payable.

In management's opinion, the Company's carrying value of cash and accounts payable approximates their fair value due to the immediate or short-term maturity of these instruments.

The Company classifies the fair value of these financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Cash is classified under Level 1.

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6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Level 2 – Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices). The Company does not have any financial instruments classified under Level 2.

Level 3 – Valuations in the level are those with inputs for the asset or liability that are not based on observable market data.

The Company's financial instruments are exposed to the following risks:

Credit Risk

Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. The credit risk of the Company is associated with cash and cash equivalents. The credit risk with respect to its cash and cash equivalents is minimal as they are held with high-credit quality financial institutions. Management does not expect these counterparties to fail to meet their obligations.

Liquidity Risk

Liquidity risk is the risk that the Company will not meet its obligations associated with its financial liabilities as they fall due. As at September 30, 2021, the Company had a balance in cash of \$370,720 to settle current liabilities of \$1,066. The Company's financial liabilities include accounts payable which have contractual maturities of 30 days or are due on demand.

The Company manages liquidity risk through its capital management as outlined in Note 5 to the financial statements.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company cash equivalents are exposed to interest rate risk as the Company invests cash equivalents at floating rates of interest in highly liquid instruments. Fluctuations in interest rates may impact the value of its cash equivalents.

Currency Risk

Currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As at September 30, 2021, the Company's expenditures are exclusively in Canadian dollars, and any future equity raised is expected to be predominantly in Canadian dollars. As a result, the Company does not believe it is exposed to any significant currency risk.

7. RECLASSIFICATION

Legal fees of \$34,060 paid to the Company's agent with respect to the IPO for the nine months ended September 30, 2021 were reclassified to share issue costs in this quarter.