

Yubba Capital Corp.

(A Capital Pool Corporation)

Unaudited Interim Condensed Financial Statements

For the three and nine months ended September 30, 2023 and 2022

(In Canadian Dollars)

Management's Comments on Unaudited Interim Condensed Financial Statements

The accompanying unaudited interim condensed financial statements of Yubba Capital Corp. for the three and nine months ended September 30, 2023 and 2022, have been prepared by management and approved by the Board of Directors of the Company. These statements have not been reviewed by the Company's external auditors

Yubba Capital Corp.

Interim Condensed Statements of Financial Position

(In Canadian Dollars)

As at September 30, 2023 and December 31, 2022

	As at September 30, 2023	As at December 31, 2022
	(unaudited)	
ASSETS		
Current		
Cash (note 4)	\$ 175,782	\$ 213,279
Total Assets	\$ 175,782	\$ 213,279
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 32,709	\$ 9,532
SHAREHOLDERS' EQUITY		
Share capital (note 5)	300,690	300,690
Contributed surplus (note 5)	24,974	24,974
Accumulated deficit	(182,591)	(121,917)
Total Liabilities and Shareholders' Equity	\$ 175,782	\$ 213,279

Incorporation and nature of business (note 1)

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

Approved by the Board

Brian Morales
Director (Signed)

Edward (Ted) Yew
Director (Signed)

Yubba Capital Corp.

Interim Condensed Statements of Loss and Comprehensive Loss (Unaudited)

(In Canadian Dollars)

For the Three and Nine Months Ended September 30, 2023 and 2022

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Expenses				
Professional fees	\$ 8,498	\$ 3,250	\$ 18,650	\$ 9,325
Public company and transaction costs	14,313	1,590	37,490	12,827
Other	1,206	723	4,534	4,055
	24,017	5,563	60,674	26,207
Net loss and comprehensive loss for the year / period	(24,017)	(5,563)	(60,674)	(26,207)
Net loss per share - basic and diluted	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.01)
Weighted average shares outstanding - basic and diluted	5,220,000	5,220,000	5,220,000	5,220,000

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

Yubba Capital Corp.

Interim Condensed Statements of Cash Flows (Unaudited)

(In Canadian Dollars)

For the nine months ended September 30, 2023 and 2022

	For the nine months ended September 30,	
	2023	2022
Cash flow used in operating activities		
Net loss	\$ (60,674)	\$ (26,207)
Adjustments for non-cash items:		
Net change in non-cash working capital items:		
Accounts payable and accrued liabilities	23,177	(23,699)
Net cash used in operating activities	(37,497)	(49,906)
Net change in cash	(37,497)	(49,906)
Cash, beginning of period	213,279	264,756
Cash, end of period	\$ 175,782	\$ 214,850

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

Yubba Capital Corp.

Interim Condensed Statement of Changes in Shareholders' Equity (unaudited)
For the nine months ended September 30, 2023 and 2022
(In Canadian Dollars)

	Number of shares	Share capital	Contributed surplus	Accumulated deficit	Shareholders' equity
Balance, December 31, 2021	5,220,000	\$ 300,690	\$ 24,974	\$ (90,465)	\$ 235,199
Net loss	-	-	-	(26,207)	(26,207)
Balance, September 30, 2022	5,220,000	\$ 300,690	\$ 24,974	\$ (116,672)	\$ 208,992
Net loss	-	-	-	(5,245)	(5,245)
Balance, December 31, 2022	5,220,000	\$ 300,690	\$ 24,974	\$ (121,917)	\$ 203,747
Net loss	-	-	-	(60,674)	(60,674)
Balance, September 30, 2023	5,220,000	\$ 300,690	\$ 24,974	\$ (182,591)	\$ 143,073

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

Yubba Capital Corp.

Notes to the Unaudited Interim Condensed Financial Statements

(In Canadian Dollars)

For the Three and Nine Months Ended September 30, 2023 and 2022

1. Incorporation and nature of business

Yubba Capital Corp. ("Yubba" or the "Company") was incorporated on January 8, 2021, under the Ontario Business Corporations Act. The Company is classified as a Capital Pool Company ("CPC") as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange").

The principal business of the Company will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction ("QT"). The Company has not commenced commercial operations and has no assets other than cash. Given the nature of the activities, no separate segmented information is reported. The Company's continuing operations, as intended, are dependent on its ability to secure equity financing with which it intends to identify and evaluate potential acquisitions of businesses, and once identified and evaluated, to negotiate an acquisition thereof or participation therein subject to receipt of regulatory and, if required, shareholders' approval.

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, subject to the requirements of the TSX Venture Exchange. These restrictions will apply until completion of a QT by the Company as defined under the policies of the Exchange. The Company is required to complete its QT on or before two years from the date the Company receives regulatory approval.

The head office and the registered head office of the Company is located at 2131 Lawrence Avenue East, Suite 207, Toronto, ON, M1R 5G4.

2. Basis of preparation and statement of compliance

Statement of compliance

These unaudited interim condensed financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS34"), as issued by the IASB. Accordingly, certain information normally included in annual financial statements prepared in accordance with IFRS, as issued by the IASB, have been omitted or condensed.

These unaudited interim condensed financial statements were approved by the Board of Directors on November 7, 2023.

Yubba Capital Corp.

Notes to the Unaudited Interim Condensed Financial Statements

(In Canadian Dollars)

For the Three and Nine Months Ended September 30, 2023 and 2022

3. Significant accounting policies

The accounting policies applied in the preparation of these unaudited interim condensed consolidated financial statements are consistent with those applied and disclosed in the Company's consolidated financial statements for the year ended December 31, 2022 and the period from January 8, to December 31, 2021.

4. Cash

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than \$3,000 per month of the gross proceeds may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions may apply until completion of a Qualifying Transaction by the Company as defined under the policies of the Exchange.

5. Share capital and contributed surplus

The Company is authorized to issue an unlimited number of voting Common Shares.

The following table reflects the warrants outstanding as of September 30, 2023:

Expiry Date	Exercise Price	Weighted Average Remaining Contractual Life (Years)	Number of Warrants Outstanding	Number of Warrants Vested (Exercisable)
August 26, 2026	\$0.10	2.91	177,600	177,600

The following table reflects the stock options outstanding as at September 30, 2023:

Expiry Date	Exercise Price	Weighted Average Remaining Contractual Life (Years)	Number of Options Outstanding	Number of Options Vested (Exercisable)
August 26, 2026	\$0.10	2.91	300,000	300,000

6. Capital management

The Company's capital consists of share capital. The Company's objective for managing capital is to maintain sufficient capital to identify, evaluate and complete an acquisition or other transaction as disclosed in Note 1.

The Company sets the amount of capital in relation to risk and manages the capital structure and makes adjustments to it in light of changes to economic conditions and the risk characteristics of the underlying assets. The Company's objectives when managing capital are: i. to maintain a flexible capital structure, which optimizes the cost of capital at acceptable risk; and, ii. to maintain investor, creditor and market confidence in order to sustain the future development of the business.

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that that not more than \$3,000 per month of the gross proceeds may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under the Exchange policy 2.4.

The Company is not subject to any externally or internally imposed capital requirements at period-end apart from the capital requirements of the Exchange.

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Notes to the Unaudited Interim Condensed Financial Statements

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For the Three and Nine Months Ended September 30, 2023 and 2022

7. Financial instruments

The Company, as part of its operations, carries financial instruments consisting of cash and accounts payable and accrued liabilities. It is management's opinion that the Company is not exposed to significant credit, interest, or currency risks arising from these financial instruments except as otherwise disclosed.

Fair value

Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act.

The Company classifies the fair value of the financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument. Level 1: Fair value measurements are those derived from quoted prices (unadjusted) in the active market for identical assets or liabilities. 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). Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

The fair value of cash is determined on level 1 inputs. The carrying amount of accounts payable and accrued liabilities approximates its fair value due to the short-term maturities of these items.

8. Related party transactions

There was no remuneration was paid to key management personnel during the three and nine months ended September 30, 2023 and 2022.

9. Qualifying Transaction

On December 31, 2022, the Company and Impact Housing Corporation ("IHC") announced that they have entered into a letter of intent dated December 1, 2022 (the "LOI"), pursuant to which Yubba and IHC will complete a transaction that will result in a reverse take-over of Yubba by IHC (the "Proposed Transaction"). The Proposed Transaction, if completed, will constitute Yubba's "Qualifying Transaction" (as such term is defined in Policy 2.4 of the TSX Venture Exchange (the "TSXV")).

IHC is a Panamanian based real estate developer, incorporated under the laws of the Republic of Panama on February 15, 2017, that provides affordable housing supported by a longstanding subsidized government program with multiple product offerings. The principal business of IHC is to build and develop affordable and high quality subsidized houses and in the Republic of Panama to support the middle class market. The vision of IHC is effectuated by a vertically integrated model which coordinates all services necessary to develop high-quality residential and commercial buildings; including but not limited to land acquisition, financing, architectural, engineering, off-site manufacturing, general contracting, property management, and administration. IHC is incorporated under the laws of the Republic of Panama.

In conjunction with, and prior to the closing of the Proposed Transaction, IHC intends to complete a private placement offering of a minimum of USD\$4,000,000 and a maximum of USD\$8,000,000 of subscription receipts (the "Concurrent Offering"). Immediately prior to the completion of the Proposed Transaction, it is anticipated that each subscription receipt will be converted into (1) common share in the capital of IHC. The offering price (the "Offering Price") for the Concurrent Financing shall be based on several factors, including general market conditions at the time of the Concurrent Financing. A comprehensive news release with further particulars and full terms will be provided prior to the closing of the Concurrent Offering, in accordance with the policies of the TSXV.

The Proposed Transaction is expected to be structured as a plan of arrangement, three-cornered amalgamation, merger, a share exchange or other mechanism deemed to be most effective, as determined by the mutual agreement of IHC and Yubba upon receipt of tax, corporate and securities law advice. Pursuant to the Proposed

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Transaction, holders of common shares in the capital of IHC (the “IHC Shares”), including those investors in the Concurrent Offering, will receive one (1) common share in the capital of Yubba (each, a “Yubba Share”) for each IHC Share held. In order to align the value of the Yubba Shares with the value per IHC Share at which the Proposed Transaction will be completed, it is anticipated that Yubba will complete either a share split or share consolidation (the “Share Capital Amendment”) on the basis of a ratio that results in the aggregate number of post-Share Capital Amendment Yubba Shares multiplied by the Offering Price being equal to C\$1,100,000, subject to customary adjustments.

On April 14, 2023, the Company and IHC entered into a share exchange agreement.