
Icarus Capital Corp.

Condensed Interim Financial Statements

For the nine months ended September 30, 2022 and September 30, 2021

(Expressed in Canadian Dollars)

(Unaudited)

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NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

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

Icarus Capital Corp.

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Icarus Capital Corp.

Condensed Interim Statement of Financial Position

(Expressed in Canadian Dollars)

(Unaudited)

	As at September 30, 2022	As at December 31, 2021
ASSETS		
Current assets		
Cash	\$107,783	\$34,487
Deferred financing costs (Note 6)	-	58,536
Total assets	107,783	93,023
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$11,209	\$1,500
SHAREHOLDERS' EQUITY		
Share capital (Note 6)	123,805	100,000
Share-based payments reserve	58,450	-
Deficit	(85,681)	(8,477)
Total equity	96,574	91,523
Total liabilities and equity	107,783	93,023

Nature of operations - see Note 1

Approved on behalf of the Board of Directors on November 9, 2022:

/s/ "Garry Yuill"
Garry Yuill, Director

/s/ "Kenneth Wall"
Kenneth Wall, Director

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

Icarus Capital Corp.

Condensed Interim Statement of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

(Unaudited)

	For the three months ended September 30, 2022	For the three months ended September 30, 2021	For the nine months ended September 30, 2022	For the period from February 2, 2021 (date of incorporation) to September 30, 2021
EXPENSES				
Agency fees	\$1,355		\$4,528	
Banking charges	2,023	\$20	2,051	\$90
Office	-		692	-
Computer	-		542	-
Professional services	22,090		30,421	3,150
Share-based compensation (Note 6)	-		38,970	
Net loss and comprehensive loss	25,467	20	77,204	25
Loss per share – basic and diluted	0.01	0.00	0.02	0.00
Weighted average number of common shares outstanding	4,000,000	2,000,000	3,333,333	2,000,000

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

Icarus Capital Corp.

Condensed Interim Statement of Changes in Equity

For the period from February 2, 2021 (date of incorporation) to September 30, 2022

(Expressed in Canadian Dollars)

(Unaudited)

	Common shares		Share-based payments reserve \$	Deficit \$	Total \$
	Number of shares	Amount \$			
Balance, February 2, 2021 (date of incorporation)	-	-	-	-	-
Issued upon incorporation	1	1	-	-	1
Shares issued for cash	2,000,000	100,000	-	-	100,000
Shares redeemed by Company and cancelled	(1)	(1)	-	-	(1)
Net loss for the period	-	-	-	(3,240)	(3,240)
Balance, September 30, 2021	2,000,000	100,000	-	(3,240)	96,760
Balance, December 31, 2021	2,000,000	100,000	-	(8,477)	91,523
Shares issued for cash	2,000,000	200,000	-	-	200,000
Share issuance costs	-	(156,715)	-	-	(156,715)
Issuance of broker warrants (Note 6)	-	(19,480)	19,480	-	-
Stock-based compensation (Note 6)	-	-	38,970	-	38,970
Net and comprehensive loss	-	-	-	(77,204)	(77,204)
Balance, September 30, 2022	4,000,000	123,805	58,450	(85,681)	96,574

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

Icarus Capital Corp.

Condensed Interim Statement of Cash Flows

(Expressed in Canadian Dollars)

(Unaudited)

	For the nine months ended September 30, 2022	For the period from February 2, 2021 (date of incorporation) to September 30, 2021
Cash provided by (used in)		
Operating activities		
Net loss	(77,204)	(3,240)
Adjustments for:		
Share-based compensation	38,970	-
Changes in non-cash working capital items:		
Deferred financing costs	58,536	52,787
Accounts payable and accrued liabilities	9,709	-
	<u>30,011</u>	<u>(56,027)</u>
Financing activities		
Issuance of common shares	200,000	100,000
Share issuance costs	(156,715)	-
	<u>43,285</u>	<u>100,000</u>
Increase in cash	73,296	43,973
Cash, beginning of period	34,487	-
Cash, end of period	<u>107,783</u>	<u>43,973</u>

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

Icarus Capital Corp.

Notes to Condensed Interim Financial Statements

September 30, 2022

(Expressed in Canadian Dollars)

(Unaudited)

1. Nature of operations

Icarus Capital Corp. (the “Company”) was incorporated under the Business Corporations Act (British Columbia) on February 2, 2021. The Company is a capital pool company (“CPC”), on the TSX Venture Exchange (the “Exchange”). On March 14, 2022, the Company completed its Initial Public Offering (the “Offering”) of 2,000,000 common shares at \$0.10 per share for gross cash proceeds of \$200,000. The Company is classified as a Capital Pool Company (“CPC”) as defined in the TSX Venture Exchange (“TSX-V”) Policy 2.4. The Company began trading its shares on the TSX-V under the trading symbol “ICRS.P”.

As at September 30, 2022, the Company had no business operations. As a CPC, the Company’s business objective will be to identify and evaluate assets or businesses with a view to potential acquisition or participation by completing a Qualifying Transaction (as defined in Exchange Policy 2.4) subject, in certain cases, to shareholder approval and acceptance by the Exchange. The Company has neither a history of earnings nor has it paid any dividends and it is unlikely to pay dividends or enjoy earnings in the immediate or foreseeable future. There is no assurance that the Company will identify and successfully acquire businesses or assets that will produce a profit. Moreover, if a potential business or asset is identified which warrants acquisition or participation, additional funds may be required to complete the acquisition or participation and the Company may not be able to obtain such financing on terms which are satisfactory to the Company.

The head office of the Company is located at 2352 Marine Drive, West Vancouver, BC V7V 1K8.

2. Summary of significant accounting policies

Basis of presentation

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting, and on a basis consistent with the accounting policies disclosed in the Company’s annual audited financial statements for the year ended December 31, 2021. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC. These condensed interim financial statements should be read in conjunction with the Company’s audited financial statements for the year ended December 31, 2021.

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Notes to Condensed Interim Financial Statements

September 30, 2022

(Expressed in Canadian Dollars)

(Unaudited)

2. Summary of significant accounting policies - continued

Basis of Measurement

The Company's condensed interim financial statements have been prepared on the historical cost basis except for the revaluation of certain financial assets and financial liabilities to fair value. These condensed interim financial statements are presented in Canadian dollars unless otherwise stated.

3. Financial instruments

Cash is measured at fair value through profit and loss. Accounts payable and accrued liabilities and due to related party are measured at amortized cost.

Fair value

IFRS 7 establishes a fair value hierarchy for financial instruments measured at fair value that reflects the significance of inputs in making fair value measurements as follows:

Level 1 - applied to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2 - applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.

Level 3 - applies to assets or liabilities for which there are unobservable market data.

Pursuant to IFRS 7, the fair value of cash is measured on a recurring basis based on Level 1 inputs.

Credit risk

Credit risk is the risk of an unexpected loss if a counterparty to a financial instrument fails to meet its contractual obligations to the Company. The Company's credit risk is primarily attributable to cash, which is held on deposit with a major Canadian bank.

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Notes to Condensed Interim Financial Statements

September 30, 2022

(Expressed in Canadian Dollars)

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4. Capital risk management

The Company manages, as capital, the components of shareholders' equity and its cash. The Company's objectives, when managing capital, are to safeguard its ability to complete a qualifying transaction as discussed in Note 1.

The Company intends to manage its capital structure, and make adjustments to it, in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue common shares or borrow. The Company does not anticipate the payment of dividends in the foreseeable future.

5. Cash restriction

Under Exchange Policy 2.4, proceeds raised from the sale of common shares 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 may be used to fund reasonable general and administrative expenses not related to the identification and evaluation of a Qualifying Transaction.

6. Shareholders' equity

The Company is authorized to issue an unlimited number of common shares without par value.

Initial public offering

On March 14, 2022, the Company closed the IPO of 2,000,000 of its common shares at a price of \$0.10 per share for \$200,000 in gross proceeds. The Company paid a commission of 10% of gross proceeds to the Agent and granted the Agent stock options to acquire 10% of the common shares issued in the offering exercisable for a period ending 60 months from the date the Company's common shares are listed on the TSX Venture Exchange exercisable at \$0.10 per share. The Company also paid a corporate finance fee upon the closing of the offering and reimbursed the Agent for legal fees and other reasonable expenses incurred pursuant to the Offering. Cash share issuance costs of \$156,715 were incurred for legal, agency and TSX-V, of which \$58,536 were incurred or accrued for and deferred as at December 31, 2021.

Stock option plan

The Company has established a rolling share option plan (the "Plan") in which the maximum number of common shares which can be reserved for issuance under the Plan which is 10% of the issued and outstanding shares of the Company. The minimum exercise price of the options is set at the

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Notes to Condensed Interim Financial Statements

September 30, 2022

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6. Shareholders' equity - continued

Company's closing share price on the day before the grant date, less allowable discounts. Options granted may be subject to vesting provisions as determined by the Board of Directors and have a maximum term of ten years.

On March 14, 2022, the Company granted 400,000 options to directors and officers, which are exercisable within ten years from the date of grant at an exercise price of \$0.10 per share. These options were valued on the date of issue using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, risk-free interest rate of 2.40%, expected volatility of 100% and an expected life of five years. The value attributed to these options was \$38,970.

The weighted average grant date fair value of all share options granted during the nine months ended September 30, 2022 was \$0.10 per share option. A summary of the Company's share options at September 30, 2022 and the changes for the six months ended on those dates, is as follows:

	Number of stock options	Weighted average exercise price
		\$
Stock options granted to Directors and Officers	400,000	0.10
Balance September 30, 2022	400,000	0.10

Expiry date	Exercise price	Weighted average remaining contractual life (years)	Number of options outstanding
March 11, 2032	\$0.10	9.5	400,000
Balance Septembers 30, 2022	\$0.10	9.5	400,000

On March 14, 2022, the Company granted 200,000 warrants to the Agent, which are exercisable within 60 months from the date of grant at an exercise price of \$0.10 per share. These warrants were valued on the date of issue using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, risk-free interest rate of 2.40%, expected volatility of 100% and an expected life of five years. The value attributed to these options was \$19,480.

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6. Shareholders' equity - continued

	Number of stock options	Weighted average exercise price
Warrants granted to Agent	200,000	\$ 0.10
Balance September 30, 2022	200,000	0.10

Expiry date	Exercise price	Weighted average remaining contractual life (years)	Number of options and warrants outstanding
March 13, 2027	\$0.10	4.5	200,000
Balance September 30, 2022	\$0.10	4.5	200,000

7. Potential qualifying transaction

On September 8, 2022, the Company entered into a non-binding letter of intent (the "LOI") with 1401935 Alberta Ltd. ("1401935"), doing business as "Yuk Yuk's Comedy Club", outlining the general terms and conditions of a proposed business combination that would constitute the Company's Qualifying Transaction.

The Company and 1401935 will negotiate and enter into a definitive agreement (the "Definitive Agreement") incorporating the principal terms of the transaction as described in the LOI. The terms and conditions outlined in the LOI are non-binding on the parties, and the LOI is expected to be superseded by the Definitive Agreement. Pursuant to the terms of the transaction, it is expected to be a purchase of 100% of the shares of 1401935 for total consideration (the "Consideration") of roughly CAD \$400,000. The Consideration will be paid with a \$200,000 bank loan, \$100,000 in vendor financing and the issuance of 225,000 shares of the Company. There can be no assurance that a Definitive Agreement will be successfully negotiated or entered into.

In a concurrent transaction, Icarus will execute a trademark license agreement (the "TLA") with Yuk Yuk's Inc. ("Yuk Yuk's") and be granted the exclusive rights to use Yuk Yuk's trademarks worldwide, as outlined in the TLA. This is expected to include Yuk Yuk's branded social media accounts, the right to use existing content and the right to produce additional digital audio and video content. In addition, Icarus will acquire the right to exploit, and host Yuk Yuk's branded shows.