

RiseTech Capital Corp.

Financial Statements

Period from Incorporation on February 26, 2018 to September 30, 2018

## Notice to Reader

The accompanying unaudited condensed interim financial statements of RiseTech Capital Corp. ("the Company") have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of the Company's unaudited condensed interim financial statements as at and for the period ended September 30, 2018.

RiseTech Capital Corp.  
Statement of Financial Position  
(Stated in Canadian Dollars)

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September 30,  
2018

ASSETS

Current assets

Cash	\$ 468,854
GST recoverable	5,318
Deferred share issuance costs	31,543

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TOTAL ASSETS \$ 505,715

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LIABILITIES AND EQUITY

Current liabilities

Accounts payable and accrued liabilities	\$ 87,495
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Equity

Share capital (note 4)	500,000
Deficit	(81,780)

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Total equity 418,220

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TOTAL LIABILITIES AND EQUITY \$ 505,715

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Approved on behalf of the Board of Directors:

"Manroop Padda"

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Director

"Keith Spencer"

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Director

RiseTech Capital Corp.  
Statement of Loss and Comprehensive Loss  
(Stated in Canadian Dollars)

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	For the three months ended September 30, 2018	Period from incorporation on February 26, 2018 to September 30, 2018
Expenses		
Bank charges	\$ 67	\$ 168
Listing fees	-	5,250
Professional fees	56,996	76,362
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Loss and comprehensive loss for the period	\$ (57,063)	\$ (81,780)
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Weighted average number of common shares outstanding		
Basic	-	-
Diluted	-	-
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Basic and diluted loss per common share	\$ -	\$ -
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# RiseTech Capital Corp.

## Statement of Changes in Equity

Period from incorporation on February 26, 2018 to September 30, 2018

(Stated in Canadian Dollars)

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	Common Shares		Deficit	Total
	Number	Amount		
Balance at February 26, 2018	-	\$ -	\$ -	\$ -
Issue of common shares (note 4)	10,000,000	500,000	-	500,000
Loss for the period	-	-	(81,780)	(81,780)
Balance at September 30, 2018	10,000,000	\$ 500,000	\$ (81,780)	\$ 418,220

RiseTech Capital Corp.  
Statement of Cash Flows  
(Stated in Canadian Dollars)

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Period from  
incorporation on  
February 26, 2018 to  
September 30, 2018

Operating activities	
Loss for the period	\$ (81,780)
Changes in non-cash working capital items:	
GST recoverable	(5,318)
Accounts payable and accrued liabilities	71,288
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Net cash used in operating activities	(15,810)
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Financing activities	
Issue of common shares	500,000
Deferred share issuance costs	(15,336)
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Net cash provided by financing activities	484,664
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Change in cash during the period	468,854
Cash, beginning of period	-
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Cash, end of period	\$ 468,854
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Supplemental cash flow information	
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Deferred share issuance costs included in accounts payable and accrued liabilities	\$ 16,207
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# RiseTech Capital Corp.

## Notes to the Financial Statements

Period from incorporation on February 26, 2018 to September 30, 2018

(Stated in Canadian Dollars)

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### 1. Nature and Continuance of Operations

RiseTech Capital Corp. (the "Company") was incorporated on February 26, 2018 pursuant to the Business Corporations Act of British Columbia and is applying to be classified as a Capital Pool Company as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4.

As at September 30, 2018, the Company had no business operations and its only significant asset was cash. During the period from incorporation on February 26, 2018 to September 30, 2018, the Company did not enter into any agreements to acquire interests in businesses or assets. As a Capital Pool Company, the Company's principal business will be the identification and evaluation of assets, properties or businesses with a view to acquisition or participation therein subject, in certain cases, to shareholder approval and acceptance by the TSX-V. Where an acquisition or participation is warranted (the "Qualifying Transaction"), additional funding may be required. The ability of the Company to fund its potential future operations and commitments is dependent upon obtaining additional financing. There is no assurance that the Company will complete a Qualifying Transaction within twenty-four months from the date the Company's shares are listed on the TSX-V, at which time the TSX-V may suspend or de-list the Company's shares from trading. As at September 30, 2018, the Company's shares have not begun trading on the TSX-V.

The head office, principal address and registered and records office of the Company are located at 2900 – 550 Burrard Street, Vancouver, BC, Canada V6C 0A3.

The financial statements are presented in Canadian dollars and all values are rounded to the nearest dollar except for loss per share information.

### 2. Basis of Preparation

#### a) Statement of compliance

The Company has prepared its financial statements in accordance with International Financial Reporting Standards ("IFRS") since incorporation on February 26, 2018. These financial statements have been prepared in accordance with IFRS issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee ("IFRICs").

#### b) Basis of presentation

The financial statements have been prepared on an accrual basis and are based on historical costs.

#### c) Approval of the financial statements

The financial statements of the Company for the period ended September 30, 2018 were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on November 29, 2018.

# RiseTech Capital Corp.

## Notes to the Financial Statements

Period from incorporation on February 26, 2018 to September 30, 2018

(Stated in Canadian Dollars)

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### 3. Summary of Significant Accounting Policies

#### a) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks, or held in trust, and short term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash. The Company has no cash equivalents at September 30, 2018.

#### b) Foreign currencies

The financial statements are presented in Canadian dollars. The Company's functional currency is the Canadian dollar, which is the currency of the primary economic environment in which the Company operates.

Transactions in foreign currencies are initially recorded at the functional currency rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated to the functional currency rate of exchange at the date of the statement of financial position.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

#### c) Share-based payments

Employees (including directors and senior executives) of the Company may receive a portion of their remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions"). The costs of equity-settled transactions with employees are measured by reference to the fair value of the equity instruments at the date on which they are granted.

In situations where equity instruments are issued to non-employees for goods or services, the transaction is measured at the fair value of the goods or services received by the entity. When the value of the goods or services cannot be reliably estimated, they are measured at the fair value of the share-based payment.

The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("vesting date"). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is recorded in share option reserve.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional amount is recognized on the same basis as the amount of the original award for any modification which increases the total fair value of the equity settled transactions or is otherwise beneficial to the employee as measured at the date of modification.

# RiseTech Capital Corp.

## Notes to the Financial Statements

Period from incorporation on February 26, 2018 to September 30, 2018

(Stated in Canadian Dollars)

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### 3. Summary of Significant Accounting Policies (cont'd)

#### d) Taxation

Income tax expense represents the sum of tax currently payable and deferred tax.

##### Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are substantively enacted at the date of the statement of financial position.

##### Deferred income tax

Deferred income taxes are provided using the liability method on temporary differences at the date of the statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable earnings; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences and carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable earnings; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

# RiseTech Capital Corp.

## Notes to the Financial Statements

Period from incorporation on February 26, 2018 to September 30, 2018

(Stated in Canadian Dollars)

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### 3. Summary of Significant Accounting Policies (cont'd)

The carrying amount of deferred income tax assets is reviewed at the date of each statement of financial position and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilized. Unrecognized deferred income tax assets are reassessed at the date of each statement of financial position and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the date of the statement of financial position.

Deferred income tax relating to items recognized directly in equity is recognized in equity and not in profit or loss.

Deferred income tax assets and deferred income tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

#### e) Loss per share

The Company presents basic and diluted loss per share data for its common shares. Basic loss per share is computed by dividing the loss by the weighted average number of common shares outstanding during the period. Diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the period, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common shares at the average market price during the reporting periods. In a loss period, potentially dilutive stock options and warrants are excluded from the loss per share calculation as the effect would be anti-dilutive. Common shares that are contingently returnable are not included in the calculation.

#### f) Financial instruments

##### Recognition

The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value, and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

A write-off of a financial asset (or a portion thereof) constitutes a derecognition event. Write-off occurs when the Company has no reasonable expectations of recovering the contractual cash flows on a financial asset.

# RiseTech Capital Corp.

## Notes to the Financial Statements

Period from incorporation on February 26, 2018 to September 30, 2018

(Stated in Canadian Dollars)

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### 3. Summary of Significant Accounting Policies (cont'd)

#### Classification and Measurement

The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories:

- i. those to be measured subsequently at fair value, either through profit or loss ("FVTPL") or through other comprehensive income ("FVTOCI"); and,
- ii. those to be measured subsequently at amortized cost.

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting period. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

After initial recognition at fair value, financial liabilities are classified and measured at either:

- i. amortized cost;
- ii. FVTPL, if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives); or,
- iii. FVTOCI, when the change in fair value is attributable to changes in the Company's credit risk.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability classified as subsequently measured at amortized cost or FVTOCI are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at fair value through profit or loss are expensed in profit or loss.

The Company's financial assets consist of cash and subscriptions receivable, which are classified as subsequently measured at amortized cost, using the effective interest method. The Company's financial liabilities consist of accounts payable and accrued liabilities, which are classified and measured at amortized cost using the effective interest method. Interest expense is reported in profit or loss.

#### Impairment

The Company assesses all information available, including on a forward-looking basis the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportable forward-looking information.

# RiseTech Capital Corp.

## Notes to the Financial Statements

Period from incorporation on February 26, 2018 to September 30, 2018

(Stated in Canadian Dollars)

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### 3. Summary of Significant Accounting Policies (cont'd)

#### g) Interest income

Interest income from financial assets is accrued based on the credit impaired status of the financial asset as follows:

- i) Not a purchased or originated credit-impaired financial asset, or has not become credit impaired since initial recognition, interest revenue is calculated using a 'gross method' of applying the effective interest rate method to the gross carrying amount of the asset (i.e. its carrying amount excluding the loss allowance).
- ii) Not a purchased or originated credit-impaired financial asset but subsequently has become credit-impaired, from the beginning of the next reporting period, interest revenue is calculated using a 'net method' of applying the effective interest rate to the net amortized cost balance (i.e. including the loss allowance).
- iii) Improvement of credit risk, following a period of using the 'net method', so that the financial asset is no longer credit-impaired and the improvement can be related objectively to an event since the net method was applied, the calculation of interest revenue reverts to the 'gross method' from the beginning of the next reporting period.
- iv) Purchased or originated credit-impaired financial assets, interest revenue is recognized by applying the credit-adjusted effective interest rate to the amortized cost carrying amount. The credit adjusted effective interest rate is the rate that discounts the cash flows expected on initial recognition (explicitly taking account of expected credit losses as well as contractual terms of the instrument) back to the amortized cost at initial recognition.

#### h) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. Any increase in a provision due solely to passage of time is recognized as interest expense.

#### i) 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 or common significant influence, and 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. Related party transactions that are in the normal course of business and have commercial substance are measured at the exchange amount.



# RiseTech Capital Corp.

## Notes to the Financial Statements

Period from incorporation on February 26, 2018 to September 30, 2018

(Stated in Canadian Dollars)

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### 4. Shareholders' Equity (cont'd)

During the period, the Company issued 10,000,000 common shares at a price of \$0.05 per share for total proceeds of \$500,000.

On March 6, 2018, the Company entered into an Engagement Letter with PI Financial Corp. (the "Agent") for the qualification for distribution and initial public offering ("IPO") of up to 2,000,000 of its common shares and a listing of its common shares on the TSX-V. The purpose of the offering is to provide the Company with a minimum of funds with which to identify and evaluate businesses or assets with a view to completing a Qualifying Transaction. The Agent will receive a commission of 5% of the gross proceeds, will be paid an Agent's corporate finance fee of \$5,000, and will be reimbursed for expenses estimated at \$10,000. The Agent will also be issued Agent's Options equal in number to 5% of the number of common shares sold under the IPO. Each Agent's Option will entitle the Agent to acquire one common share at \$0.10 per share exercisable at any time for a period of 24 months after the date upon which the common shares of the Company are listed on the TSX-V. The Company also intends, as part of the IPO, to grant options to purchase 1,200,000 common shares at a price of \$0.10 per common share to directors and officers. The IPO is subject to regulatory approval. The Company has incurred deferred costs of \$31,543 associated with this planned share issuance, \$16,207 of this amount is accrued in accounts payable and accrued liabilities.

#### b) Escrowed shares:

It is expected that immediately prior to listing on the TSX-V as a Capital Pool Company, an escrow agreement (the "Escrow Agreement") between the Company and certain shareholders of the Company will be completed resulting in the deposit into escrow of 10,000,000 common shares (the "Escrowed Shares"), being all of the issued and outstanding common shares prior to the completion of the IPO. Pursuant to the Escrow Agreement, the Escrowed Shares shall be released pro-rata to the shareholders as to 10% upon issuance of notice of final acceptance of a Qualifying Transaction by the TSX-V and as to the remainder in six equal tranches of 15% every six months thereafter for a period of 36 months. These Escrowed Shares may not be transferred, assigned or otherwise dealt without the consent of the regulatory authorities.

#### c) Loss per share:

Basic and diluted loss per share

	Period ended September 30, 2018
Numerator:	
Net loss	\$ (81,780)
Denominator:	
Weighted average number of common shares (basic and diluted)*	-
Basic and diluted loss per common share	\$ -

\* Reflects the exclusion of 10,000,000 common shares which are contingently returnable in the event a Qualifying Transaction is not completed. As no equity instruments or other financial instruments had a dilutive impact the weighted average number of common shares is the same for basic and diluted loss per common share.

# RiseTech Capital Corp.

## Notes to the Financial Statements

Period from incorporation on February 26, 2018 to September 30, 2018

(Stated in Canadian Dollars)

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### 4. Shareholders' Equity (cont'd)

#### d) Stock option plan

It is expected that immediately prior to listing on the TSX-V as a Capital Pool Company, the Company will adopt an incentive stock option plan in accordance with the policies of the TSX-V (the "Stock Option Plan") which will provide that the Board of Directors may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Company non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance under the Stock Option Plan shall not exceed ten percent (10%) of the then issued and outstanding common shares. Any such options are expected to be exercisable for a period of up to ten (10) years. In addition, it is expected that the number of common shares reserved for issuance to any one person shall not exceed five percent (5%) of the issued and outstanding common shares and the number of common shares reserved for issuance to any one consultant will not exceed two percent (2%) of the issued and outstanding common shares. Under the Stock Option Plan the Board of Directors will determine the price per common share and the number of common shares which may be allocated to each director, officer, employee and consultant and all other terms and conditions of the option, subject to the rules of TSX-V. No options have been issued to date.

### 5. Financial Instruments

The Company is exposed to various financial risks resulting from its operations. The Company's management manages financial risks. The Company does not enter into financial instruments agreements, including derivative financial instruments for speculative purposes. The Company's main financial risk exposures and its financial policies are as follows:

#### a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash and subscriptions receivable are exposed to credit risk, with their carrying values being the Company's maximum exposure. The Company's cash consists of funds held at a Canadian Schedule 1 Chartered Bank. Management believes the Company's exposure to credit risk is minimal.

#### b) 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 is not exposed to significant interest rate risk as cash only comprised bank balances paying interest at nominal rates as of September 30, 2018. The Company had no interest rate swaps or financial contracts in place as at or during the period ended September 30, 2018.

#### c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company's liabilities are all current and due within 90 days of the statement of financial position date. The Company seeks to ensure that it has sufficient capital to meet short term financial obligations after taking into account its operating obligations and cash on hand.

# RiseTech Capital Corp.

## Notes to the Financial Statements

Period from incorporation on February 26, 2018 to September 30, 2018

(Stated in Canadian Dollars)

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### 6. Capital Management

The Company's capital currently consists of common shares. Its principal source of cash is from the issuance of common shares. The Company's capital management objectives are to safeguard its ability to continue as a going concern and to have sufficient capital to be able to identify, evaluate and then acquire an interest in businesses or assets. The Company does not have any externally imposed capital requirements to which it is subject. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares.

If and when the Company is listed on the TSX-V as a Capital Pool Company, the proceeds raised from the issuance of share capital and from the initial public offering (note 4) may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to 30% 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 the completion of a Qualifying Transaction by the Company as defined under the policies of the TSX-V.

### 7. Segmented Information

At September 30, 2018, the Company has one reportable operating segment being the identification and evaluation of assets or a business and, once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities. All of the Company's assets are located in Canada.

An operating segment is defined as a component of the Company:

- that engages in business activities from which it may earn revenues and incur expenses;
- whose operating results are reviewed regularly by the entity's chief operating decision maker; and
- for which discrete financial information is available.

# RiseTech Capital Corp.

## Notes to the Financial Statements

Period from incorporation on February 26, 2018 to September 30, 2018

(Stated in Canadian Dollars)

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### 8. Income Taxes

Tax expense differs from the amount computed by applying the combined Canadian federal and provincial income tax rates, applicable to the Company, to the loss before income taxes due to the following:

	Period ended September 30, 2018
Loss before income taxes	\$ (81,780)
Canadian federal and provincial income tax rates	27%
Income tax expense (recovery) based on Canadian federal and provincial income tax rates	(22,000)
Increase (decrease) attributable to: Changes in unrecognized deferred tax assets	22,000
Tax expense	\$ -

Unrecognized deductible temporary differences and unused tax losses are attributable to the following:

	September 30, 2018
Non-capital loss carry forwards	\$ 22,000

At September 30, 2018, the Company has non-capital losses approximately \$82,000 available for carry-forward to reduce future years' income taxes. These losses will expire at the end of fiscal 2038.

### 9. Subsequent Event

On November 21, 2018 the Company completed its Initial Public Offering ("IPO") and on November 23, 2018, the Company's shares commenced trading on the TSX-V.