

RiseTech Capital Corp.

Financial Statements

For the nine months ended September 30, 2019 and 2018

(Unaudited)

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 these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity’s auditor.

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

	Note	September 30, 2019	December 31, 2018
ASSETS			
Current assets			
Cash and cash equivalents		\$ 516,315	\$ 635,656
Interest receivable		5,707	-
GST recoverable		8,200	5,248
Advances		-	17,985
TOTAL ASSETS		\$ 530,222	\$ 658,889
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		\$ 20,083	\$ 64,238
Equity			
Share Capital	3	693,915	693,915
Share-based payments reserve		10,500	10,500
Deficit		(194,276)	(109,764)
Total equity		510,139	594,651
TOTAL LIABILITIES AND EQUITY		\$ 530,222	\$ 658,889

Approved on behalf of the Board of Directors:

"Manny Padda"

Director

"Tom Liston"

Director

RiseTech Capital Corp.

Statement of Loss and Comprehensive Loss (Unaudited)

(Stated in Canadian Dollars)

	Three months ended September 30,		Nine months ended September 30,	Period from incorporation on Feb. 26, 2018 to September 30,
	2019	2018	2019	2018
Expenses				
General and administrative	\$ 4,835	\$ 67	\$ 13,486	\$ 168
Interest income	(1,997)	-	(5,707)	-
Audit and accounting	-	-	3,592	-
Professional fees	6,100	56,996	52,869	76,362
Listing fees	759	-	20,272	5,250
Loss and comprehensive loss for the period	\$ 9,697	\$ 57,063	\$ 84,512	\$ 81,780
Weighted average number of common shares outstanding				
Basic	2,500,000	-	2,500,000	-
Diluted	2,500,000	-	2,500,000	-
Basic and diluted loss per common share	\$ (0.00)	\$ -	\$ (0.03)	\$ -

RiseTech Capital Corp.
Statement of Changes in Equity (Unaudited)
(Stated in Canadian Dollars)

	Common Shares		Share-based payments reserve	Deficit	Total
	Number	Amount			
Balance at February 26, 2018	-	\$ -	\$ -	\$ -	-
Issuance of common shares (note 3)	10,000,000	500,000	-	-	500,000
Loss for the period	-	-	-	(24,717)	(24,717)
Balance at June 30, 2018	10,000,000	500,000	-	(24,717)	475,283
Loss for the period	-	-	-	(57,063)	(57,063)
Balance at September 30, 2018	10,000,000	\$ 500,000	\$ -	\$ (81,780)	\$ 418,220
Balance at December 31, 2018	12,500,000	\$ 693,915	\$ 10,500	\$ (109,764)	\$ 594,651
Loss for the period	-	-	-	(74,815)	(74,815)
Balance at June 30, 2019	12,500,000	693,915	10,500	(184,579)	519,836
Loss for the period	-	-	-	(9,697)	(9,697)
Balance at September 30, 2019	12,500,000	\$ 693,915	\$ 10,500	\$ (194,276)	\$ 510,139

RiseTech Capital Corp.

Statement of Cash Flows (Unaudited)

(Stated in Canadian Dollars)

	Three months ended September 30,		Nine months ended September 30,	Period from incorporation on Feb. 26, 2018 to September 30,
	2019	2018	2019	2018
Cash provided by (used in):				
Operating activities				
Loss for the period	\$ (9,697)	\$ (57,063)	\$ (84,512)	\$ (81,780)
Changes in non-cash working capital:				
Interest receivable	(1,997)	-	(5,707)	-
GST recoverable	(463)	(5,318)	(2,952)	(5,318)
Advances	-	-	17,985	-
Share subscriptions receivable	-	25,000	-	-
Accounts payable and accrued liabilities	(37,849)	46,672	(44,155)	71,288
Net cash used in operating activities	(50,006)	9,291	(119,341)	(15,810)
Financing activities				
Issuance of common shares	-	-	-	500,000
Deferred share issuance costs	-	15,642	-	(15,336)
Net cash provided by financing activities	-	15,642	-	484,664
Change in cash and cash equivalents during the period	(50,006)	24,933	(119,341)	468,854
Cash and cash equivalents, beginning of period	566,321	443,921	635,656	-
Cash and cash equivalents, end of period	\$ 516,315	\$ 468,854	\$ 516,315	\$ 468,854
Supplemental cash flow information				
Non-cash financing activities				
Deferred share issuance costs included in accounts payable and accrued liabilities	\$ -	\$ 16,207	\$ -	\$ 16,207

RiseTech Capital Corp.

Notes to the Financial Statements (Unaudited)

Three and nine months ended September 30, 2019

(Stated in Canadian Dollars)

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 classified as a Capital Pool Company as defined in the TSX Venture Exchange (“TSX-V”) Policy 2.4. On November 21, 2018 the Company completed its Initial Public Offering (“IPO”, note 3) and on the same day its shares commenced trading on the TSX-V under the symbol “RTCC.P”.

As at September 30, 2019, the Company had no business operations and its only significant asset was cash and cash equivalents. During the period from incorporation on February 26, 2018 to September 30, 2019, 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 is 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.

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

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 condensed interim financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*, and do not include all of the information required for full annual financial statements prepared using IFRS and accordingly, these condensed interim financial statements should be read in conjunction with the Company’s most recent annual audited financial statements for the period ended December 31, 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. The financial statements are presented in Canadian dollars and all values are rounded to the nearest dollar except for loss per share information.

c) Approval of the financial statements

The financial statements of the Company for the period ended September 30, 2019, were approved and authorized for issuance by the Board of Directors on November 25, 2019.

RiseTech Capital Corp.

Notes to the Financial Statements (Unaudited)

Three and nine months ended September 30, 2019

(Stated in Canadian Dollars)

3. Shareholders' Equity

a) Authorized and issued share capital:

The Company has authorized an unlimited number of common shares without par value.

During the nine months ended September 30, 2019, the Company issued no common shares (nine months ended September 30, 2018 – 10,000,000 common shares at a price of \$0.05 per share for total proceeds of \$500,000).

b) Escrowed shares:

An escrow agreement (the "Escrow Agreement") between the Company and certain shareholders (the "Parties") of the Company was executed on September 28, 2018, 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 Parties 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		Three months ended September 30, 2019	2018	Nine months ended September 30, 2019	Period from incorporation on Feb. 26, 2018 to September 30, 2018
Numerator:					
Net loss	\$	(9,697)	\$ (57,063)	\$ (84,512)	\$ (81,780)
Denominator:					
Weighted average number of common shares (basic and diluted)		2,500,000	-	2,500,000	-
Basic and diluted loss per common share	\$	(0.00)	\$ -	\$ (0.03)	\$ -

Loss per share reflects the exclusion of 10,000,000 common shares which are contingently returnable in the event that a Qualifying Transaction is not completed. Due to the Company being in a loss position, no equity instruments or other financial instruments had a dilutive impact on loss per share and as such the weighted average number of common shares is the same for both basic and diluted loss per share.

RiseTech Capital Corp.

Notes to the Financial Statements (Unaudited)

Three and nine months ended September 30, 2019

(Stated in Canadian Dollars)

4. 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 cash equivalents are exposed to credit risk, with their carrying values being the Company's maximum exposure. The Company's cash and cash equivalents 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 and cash equivalents only comprised bank balances paying interest at nominal rates as at September 30, 2019. The Company had no interest rate swaps or financial contracts in place as at or during the period ended September 30, 2019.

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.

5. 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.

The Company, listed on the TSX-V as a Capital Pool Company, may only use the proceeds raised from the issuance of share capital and from the initial public offering 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.

6. Segmented Information

At September 30, 2019, 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 (Unaudited)

Three and nine months ended September 30, 2019

(Stated in Canadian Dollars)

7. Related Party Transactions

Key management personnel includes the Directors and officers of the Company. No remuneration was paid or accrued to key management personnel in the nine months ended September 30, 2019.

At September 30, 2019, the Company has no remaining amounts owing to Directors for expenditures paid by Directors on behalf of the Company.

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:

Basic and diluted loss per share	Nine months ended September 30, 2019		Period from incorporation on February 26, 2018 to September 30, 2018	
Loss before income taxes		(84,512)		(81,780)
Canadian federal and provincial income tax rates	\$	27%	\$	27%
Income tax expense (recovery) based on Canadian federal and provincial income tax rates		(22,818)		(22,081)
Increase (decrease) attributable to:				
Changes in unrecognized deferred tax assets		22,818		22,081
Tax expense	\$	-	\$	-

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

Non-capital loss carry forwards	\$	57,690	\$	22,081
Share issue costs		9,843		-

At September 30, 2019, the Company has non-capital losses of approximately \$214,000 available for carry-forward to reduce future years' income taxes. These losses will expire from 2038 through 2039.