

Tova Ventures II Inc.
(A Capital Pool Company)

Financial statements

**For the Period from the Date of
Incorporation (February 27, 2017) to September 30, 2017**
(In Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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 independent auditor has not performed a review of these financial statements in accordance with standards established by the CPA Canada for a review of interim financial statements by an entity's auditor.

Tova Ventures II Inc.

Unaudited Condensed Interim Statement of Financial Position

As at September 30, 2017

(in Canadian dollars)

	September 30, 2017
Assets	
Cash held in trust	
\$94,040	
Deferred financing cost	
<u>28,304</u>	
	\$ 122,344
Liabilities	
Accrued liabilities	\$ 33,444
	<u>33,444</u>
Shareholders' Equity	
Share capital net of issuance costs (Note 3)	100,991
Deficit	<u>(12,091)</u>
	88,900
	\$ 122,344

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

Subsequent Events (Note 6)

Approved by the Board Gavin Cooper
Director (Signed)

Alan Friedman
Director (Signed)

Tova Ventures II Inc.

Unaudited Condensed Interim Statement of Loss and Comprehensive Loss
For the Period from the Date of Incorporation (February 27, 2017) to September 30, 2017
(in Canadian dollars)

Expenses

Professional Fees	\$ 12,091
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Net loss	\$ 12,091
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Loss per share

Basic	(0.01)
Diluted	(0.01)

Weighted average number of common shares

Basic	2,200,000
Diluted	2,200,000

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

Tova Ventures II Inc.

Unaudited Condensed Interim Statement of Changes in Shareholders' Equity
For the Period from the Date of Incorporation (February 27, 2017) to September 30, 2017
(in Canadian dollars)

	Number of Shares	Share Capital	Deficit	Shareholders' Equity
Balance February 27, 2017	-	\$ -	\$ -	\$ -
Net loss	-	-	(12,091)	(12,091)
Share Subscription (Note 3)	2,220,000	122,000	-	122,000
Issuance Costs (Note 3)		(21,009)		(21,009)
Balance September 30, 2017	2,220,000	\$ 100,991	\$ (12,091)	\$ 88,900

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

Tova Ventures II Inc.

Unaudited Condensed Interim Statement of Cash Flows

For the Period from the Date of Incorporation (February 27, 2017) to September 30, 2017

(in Canadian dollars)

Cash provided by (used in)

Operating

Net loss	\$ (12,091)
Changes in working capital:	
Accrued liabilities	33,444
Deferred financing costs	(28,304)

Cash used in operating activities	(6,951)
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Financing

Share subscription	122,000
Offering costs	(21,009)

Cash used in financing activities	100,991
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Net change in cash	94,040
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Cash, end of period	\$ 94,040
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The accompanying notes are an integral part of these unaudited condensed interim financial statements.

1. INCORPORATION AND NATURE OF OPERATIONS

Tova Ventures II Inc. (the "Company"), was incorporated under the *Business Corporations Act* (Ontario) on February 27, 2017 and is classified as a Capital Pool Company, 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 operations and has no assets other than cash held in trust and deferred financing costs. The Company's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition, or business, or an interest therein. Such an acquisition will be subject to the approval of the regulatory authorities concerned and, in the case of a non-arm's length transaction, of the majority of the minority shareholders.

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 up to the lesser of 30% of the gross proceeds realized by the Company, in respect of the sale of its securities, or \$210,000, may be used for purposes other than evaluating businesses or assets. These restrictions 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 registered and head office of the Company is located at 7 Coulson Avenue, Toronto, Ontario M4V 1Y3.

On **November XX, 2017**, the Board of Directors approved the financial statements for the period from Date of Incorporation (February 27, 2017) to September 30, 2017.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These unaudited interim condensed financial statements, have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The Company has not presented a statement of comprehensive loss for the three months ending September 30, 2017 as the results for the period from February 27, 2017 to September 30, 2017 are identical to that of the three months period ended September 30, 2017.

Accounting Standards issued but not yet applied

Certain new mandatory standards, interpretations and amendments to existing standards, have been issued by the IASB or the IFRS Interpretations Committee ("IFRIC"), which the Company reasonably expects to be applicable for later periods are listed below. The Company has not early adopted these revised standards and none of these standards are expected to have a material effect on the financial statements.

IFRS 9, Financial Instruments ("IFRS 9") was initially issued by the IASB on November 12, 2009 and issued in its completed version in July 2014, and will replace IAS 39, "Financial Instruments: Recognition and Measurement" ("IAS 39"). IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounting Standards issued but not yet applied (continued)

financial years beginning on or after January 1, 2018. The Company anticipates that this standard will be adopted in the Company's financial statements for the year beginning January 1, 2018, and has not yet considered the potential impact of the adoption of IFRS 9.

3. SHARE CAPITAL

Authorized

Unlimited common shares

Issued

2,200,000 common shares	\$ 100,991
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Escrowed Shares

During the period, the Company issued 2,000,000 common shares at \$0.05 per share and 220,000 common shares at \$0.10 per share for total proceeds of \$122,000.

The 2,000,000 common shares issued at \$0.05 per share will be held in escrow pursuant to the requirements of the Exchange.

All common shares acquired on exercise of stock options granted to directors and officers prior to the completion of a Qualifying Transaction, must also be deposited in escrow until the final exchange bulletin is issued.

All common shares of the Company acquired in the secondary market prior to the completion of a Qualifying Transaction by a Control Person, as defined in the policies of the Exchange, are required to be deposited in escrow. Subject to certain permitted exemptions, all securities of the Company held by principals of the resulting issuer will also be subject to escrow.

Options

Options may be granted for a maximum term of ten years from the date of the grant. They are non-transferable and expire within 12 months of termination of employment or holding office as director or officer of the Company or death. Any shares issued upon exercise of the options prior to the Company entering into a Qualifying Transaction will be subject to escrow restrictions.

The stock option plan is subject to regulatory approval.

Please see subsequent event disclosure in note 6 for information concerning options granted after the year end.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Capital Management

The Company's objective when managing capital is to maintain its ability to continue as a going concern, in order to provide returns for the shareholders and benefits for other stakeholders. The Company includes equity, comprised of issued common shares, in the definition of capital.

The Company's primary objective, with respect to its capital management, is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

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 not more than the lesser of 30% of the gross proceeds from the issuance of shares or \$210,000 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.

Risk Disclosures and Fair Values

The Company's financial instruments, consisting of cash and accrued liabilities, approximate fair value due to the relatively short term maturities of the instruments. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

5. RELATED PARTY TRANSACTIONS

As at September 30, 2017, there were no transactions with related parties and no remuneration was paid to key management personnel during the period ended September 30, 2017.

6. SUBSEQUENT EVENTS

The Company completed an initial public offering ("IPO") on October 17, 2017 of 3,500,000 common shares at \$0.10 per share for gross proceeds of \$350,000.

The Company entered into an agreement with Richardson GMP Ltd. (the "Agent") to raise gross proceeds of \$350,000 in connection with the Company's IPO. In connection with the offering, Tova granted the Agent warrants to acquire 350,000 common shares at a price of \$0.10 per share and paid the Agent a commission of \$35,000 (10% of the gross proceeds of the offering) and a corporate finance fee. The warrants may be exercised for a period of 24 months from the date of listing of the common shares on the Exchange.

At the closing of the initial public offering, Tova also granted incentive stock options to its officers and directors to acquire a total of 572,000 common shares. The options may be exercised for a period of five years at a price of \$0.10 per share.