

Trusted Brand 2016 Inc.
(A Capital Pool Company)
Condensed Interim Financial Statements
For the periods ended September 30, 2017 and 2016
(Expressed in Canadian dollars)

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

November 21, 2017

Management's Report to the Shareholders

Management is responsible for the reliability and integrity of these financial statements. The accompanying condensed interim financial statements have been prepared by management in accordance with International Accounting Standards ("IAS") 34 - Interim Financial Reporting and are in accordance with International Financial Reporting Standards ("IFRS"). The condensed interim financial statements are presented in Canadian Dollars.

The accompanying condensed interim financial statements have been prepared using policies and procedures established by management and reflect fairly the Corporation's financial position, results of operations and changes in financial position, within reasonable limits of materiality and within the framework of the accounting policies outlined in the notes to the interim financial statements. Management has established and maintains a system of internal controls which is designed to provide reasonable assurance that assets are safeguarded from loss or unauthorized use and financial information is reliable and accurate.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board is assisted in exercising its responsibilities through the Audit Committee of the Board, which is composed of a majority of non-management directors. The Audit Committee meets periodically with management and the auditors to satisfy itself that management's responsibilities are properly discharged, to review the condensed interim financial statements and to recommend approval of the condensed interim financial statements to the Board.

The following condensed interim financial statements are unaudited.

Signed "Karen Stewart"

Karen Stewart, CEO

Signed "Charidy Lazorko"

Charidy Lazorko, CFO

Trusted Brand 2016 Inc.
Statement of Financial Position

	September 30, 2017	December 31, 2016
Assets		
Current		
Cash in trust <i>(Note 4)</i>	\$ 374,122	\$ 514,290
	\$ 374,122	\$ 514,290
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 3,497	\$ 39,750
Shareholders' Equity		
Share capital <i>(Note 5)</i>	\$ 557,986	\$ 557,986
Contributed surplus <i>(Note 5)</i>	118,557	118,557
Deficit	(305,918)	(202,003)
	\$ 370,625	\$ 474,540
	\$ 374,122	\$ 514,290

Nature of operations *(Note 1)*

Subsequent event *(Note 8)*

Approved on behalf of the Board

(Signed) "Karen Stewart"

Director

(Signed) "Dave Antony"

Director

Trusted Brand 2016 Inc.
Statement of Loss and Comprehensive Loss

For the three and nine month periods ended September 30, 2017 and from incorporation (March 4, 2016) to September 30, 2016

	Three months ended Sept. 30,		Nine months ended Sept. 30,	
	2017	2016	2017	2016
Expenses				
Regulatory and filing fees	\$ -	\$ -	\$ 40,648	\$ 6,890
General and administrative expenses	1,575	1,770	9,057	1,770
Professional fees	1,921	-	54,210	-
Total expenses	\$ 3,496	\$ 1,770	\$ 103,915	\$ 8,660
Loss and comprehensive loss	\$ (3,496)	\$ (1,770)	\$ (103,915)	\$ (8,660)
Basic loss per share	\$ (0.00)	\$ -	\$ (0.05)	\$ -
Fully diluted loss per share	\$ (0.00)	\$ -	\$ (0.04)	\$ -
Weighted average common shares outstanding	2,143,700	-	2,143,700	-
Fully diluted common shares outstanding	2,377,918	-	2,377,918	-

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

Trusted Brand 2016 Inc.
Statement of Changes in Shareholders' Equity

For the three and nine month periods ended September 30, 2017 and from incorporation (March 4, 2016) to September 30, 2016

	Common Shares (#)	Share Capital (\$)	Contributed Surplus (\$)	Deficit (\$)	Shareholders' Equity (\$)
As at March 4, 2016	-	-	-	-	-
Share issuance (Note 5)	3,962,900	780,725	-	-	780,725
Share issuance costs (Note 5)	-	(222,739)	-	-	(222,739)
Options issued (Note 5)	-	-	118,557	-	118,557
Net loss and comprehensive loss	-	-	-	(202,003)	(202,003)
As at December 31, 2016	3,962,900	557,986	118,557	(202,003)	474,540
Net loss and comprehensive loss				(103,915)	(103,915)
As at September 30, 2017	3,962,900	557,986	118,557	(305,918)	370,625

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

Trusted Brand 2016 Inc.
Statement of Cash Flows

For the nine month periods ended September 30, 2017 and from incorporation (March 4, 2016) to September 30, 2016

	2017	2016
Cash provided by (used by) the following activities:		
Operating Activities		
Net loss and comprehensive loss	\$ (103,915)	\$ (8,660)
Add back items not involving cash:		
Accounts payable and accrued liabilities	(36,253)	1,348
Cash used in operating activities	\$ (140,168)	\$ (7,312)
Financing Activities		
Issuance of common shares (Note 5)	\$ -	\$ 210,000
Deferred Financing costs	-	(70,228)
Cash provided by financing activities	\$ -	\$ 139,772
Change in cash resources	\$ (140,168)	\$ 132,460
Cash resources, beginning of period	514,290	-
Cash resources, end of period	\$ 374,122	\$ 132,460

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

1. Incorporation and operations:

Trusted Brand 2016 Inc. (the "Corporation") was incorporated under the laws of Alberta on March 4, 2016. The Corporation 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 Corporation is to identify and evaluate assets or businesses with a view to potentially acquire them or an interest therein by completing a purchase transaction, by exercising of an option or by any concomitant transaction. The purpose of such an acquisition is to satisfy the related conditions of a Qualifying Transaction under the Exchange policies. The address of the registered office is Third Floor, 14505 Bannister Road S.E., Calgary, Alberta, T2X 3J3.

The condensed interim financial statements of the Corporation for the periods ended September 30, 2017 and 2016 were authorized for issue in accordance with a resolution of the directors on November 20, 2017.

Where an acquisition or participation is warranted, additional funding may be required. The ability of the Corporation to fund its potential future operations and commitments is dependent upon the ability of the Corporation to obtain additional financing.

There is no assurance that the Corporation will identify a business or asset that warrants acquisition or participation within the time limitations permissible under the policies of the Exchange, at which time the Exchange may suspend or de-list the Corporation's shares from trading.

2. Basis of preparation:

The condensed interim financial statements for the periods ended September 30, 2017 and 2016 have been prepared in accordance with International accounting standard ("IAS") 34 - Interim Financial Reporting and are in accordance with International Financial Reporting Standards ("IFRS"). The condensed interim financial statements are presented in Canadian dollars. These condensed interim financial statements do not include all disclosure required for fair presentation and should be read in conjunction with the Corporation's December 31, 2016 yearend financial statements.

Statement of compliance

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. Areas where estimates are significant to the condensed interim financial statements are disclosed in the Corporation's December 31, 2016 yearend financial statements.

The condensed interim financial statements have been prepared on a historical cost basis with some exceptions in accordance with IFRS, as detailed in the accounting policies set out in the Corporation's December 31, 2016 yearend financial statements. These policies have been applied consistently for all periods presented in these condensed interim financial statements.

3. Future accounting standards:

The Corporation has reviewed new and revised accounting pronouncements that have been issued but are not yet effective and determined that the following may have an impact on the Corporation.

- The IASB has undertaken a three-phase project to replace IAS 39 "Financial Instruments: Recognition and Measurement" with IFRS 9 "Financial Instruments." In November 2009, the IASB issued the first phase of IFRS 9, which details the classification and measurement requirements for financial assets. Requirements for financial liabilities were added to the standard in October 2010. The new standard replaces the current multiple classification and measurement models for financial assets and liabilities with a single model that has only two classification categories: amortized cost and fair value. These amendments will be applied by the Corporation on January 1, 2018. The Corporation is currently assessing and quantifying the effect on its financial statements.

3. Future accounting standards (continued):

- IFRS 15, “Revenue from Contracts with Customers”. In May 2014, the IASB issued IFRS 15, which covers principles for reporting about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. IFRS 15 is effective for annual periods beginning on or after January 1, 2018. The Corporation has assessed that there will be no significant impact on its financial statements from the implementation of this standard.
- IFRS 16, “Leases”. In January 2016, the IASB issued IFRS 16, which replaces IAS 17 “Leases”. For lessees applying IFRS 16, a single recognition and measurement model for leases would apply, with required recognition of assets and liabilities for most leases. The standard will come into effect for annual periods beginning on or after January 1, 2019, with earlier adoption permitted if the entity is also applying IFRS 15 “Revenue from Contracts with Customers”. The Corporation is currently assessing and quantifying the effect on its financial statements.

4. Cash in trust:

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 the lesser of 30% of the gross proceeds may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Corporation. These restrictions may apply until completion of a Qualifying Transaction by the Corporation as defined under the policies of the Exchange.

5. Share capital:

Authorized

Unlimited number of Common Shares and Preferred Shares

Issued Common Shares	Number of Shares	\$
At incorporation – March 4, 2016	-	-
Issuance of common shares (i)	1,680,000	210,000
Issuance of common shares (ii)	2,282,900	570,725
Share issuance costs (ii)	-	(222,739)
Balance as at December 31, 2016 and September 30, 2017	3,962,900	557,986

- i) On March 4, 2016, the Corporation issued 1,680,000 Common Shares of the Corporation at a price of \$0.125 per share for gross proceeds of \$210,000. All 1,680,000 Common Shares are subject to an escrow agreement.
- ii) On November 30, 2016, the Corporation issued 2,282,900 common shares at a price of \$0.25 per common share for gross proceeds of \$570,725 related to the Corporation’s Initial Public Offering (“IPO”). The Corporation incurred share issuance costs of \$192,841 plus \$29,898 of agent options which have been applied against share capital. As at September 30, 2017, 139,200 additional Common Shares are subject to an escrow agreement.

5. Share capital (continued):

Escrow

The Corporation has issued 1,819,200 Common Shares (December 31, 2016 - 1,680,000) subject to an escrow agreement whereby 10% of the shares will be released upon completion and approval by the Exchange of the Corporation's Qualifying Transaction. An additional 15% of the escrowed Common Shares will be released on each six month anniversary thereafter unless otherwise permitted by the Exchange. Common Shares issued upon the exercise of options held by officers and directors are subject to the same escrow conditions. Common Shares issued upon the exercise of the Agent's options are restricted such that only 50% of the issued shares on exercise of such options may be sold prior to the Corporation completing a Qualifying Transaction.

Stock options

The Corporation has adopted an incentive stock option plan which provides that the Board of Directors of the Corporation may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and consultants to the Corporation, non-transferable options to purchase Common Shares, provided that the number of Common Shares reserved for issuance will not exceed 10% of the issued and outstanding Common Shares. However, other than in connection with a Qualifying Transaction, during the time that the Corporation is a CPC, the aggregate number of Common Shares issuable upon exercise of all options granted under the Option Plan shall not exceed 10% of the Common Shares of the Corporation issued and outstanding at the closing of the Corporation's initial public offering. Such options will be exercisable for a period of up to ten years from the date of grant.

The following table summarizes information about stock options outstanding:

	Number of options (#)	Weighted average remaining contractual life (years)	Weighted average exercise price (\$)
At incorporation	-		-
Issued to directors and officers (i)	396,290	9.65	0.25
Issued to agent (i)	228,290	1.65	0.25
As at December 31, 2016 and September 30, 2017	624,580	6.75	0.25

- (i) As part of the IPO, the Corporation granted 396,290 options at \$0.25 per share to the directors and officers of the Corporation exercisable for a period of ten years. The fair value of the directors and officer options is \$88,659. The Corporation also granted 228,290 options to the agent at \$0.25 per share exercisable for a period of two years. The fair value of the agent options is \$29,898 and has been included in share issuance costs. At December 31, 2016, and September 30, 2017, 624,580 options are outstanding and exercisable.

5. Share capital (continued)

The Black-Scholes option pricing model was used to estimate the fair value of options on the date of grant using the following assumptions:

	Expiry (year)	Risk-free interest rate (%)	Expected life (years)	Expected dividend yield (%)	Expected volatility (%)	Forfeiture Rate (%)
Directors and officers	2026	1.58	10	0.0	100	0.0
Agent	2018	0.70	2	0.0	100	0.0

6. Capital disclosures

The Corporation's capital consists of share capital. The Corporation'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 Corporation 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 Corporation'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 Corporation is not subject to any externally or internally imposed capital requirements at period end.

7. Financial instruments

The Corporation, as part of its operations, carries financial instruments consisting of cash in trust and accounts payable and accrued liabilities. It is management's opinion that the Corporation 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 Corporation 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 in trust is determined on level 1 inputs. The carrying amount of cash in trust and accounts payable and accrued liabilities approximates their fair value due to the short-term maturities of these items.

7. Financial instruments

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Corporation's credit risk is primarily attributed to cash. Cash balances are held with the Corporation's lawyers in trust, from which management believes the risk of loss to be remote.

Liquidity Risk

The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2017, the Corporation had cash in trust balance of \$374,122 (December 31, 2016 - \$514,290) to settle future obligations of \$3,497 (December 31, 2016 - \$39,750). All the Corporation's financial liabilities have contractual maturities of 30 days and are due on demand and are subject to normal track terms.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. As at September 30, 2017, the Corporation is not materially exposed to any market risks.

8. Subsequent event

On February 15, 2017, a letter of intent was signed between Trusted Brand 2016 Inc. and 1367790 Alberta Ltd. and 2186774 Ontario Inc. (together, the "Holmes Services Companies") to acquire the Holmes Services Companies that would serve as the Corporation's Qualifying Transaction (the "Transaction"). The proposed Transaction is expected to be structured as an arm's length business combination that will result in the Corporation acquiring all of the issued and outstanding shares of the Holmes Services Companies in exchange for 30,000,000 common shares of the Corporation. In conjunction with the completion of the Transaction, the Corporation will complete a private placement of up to 12,500,000 common shares with gross proceeds of approximately \$5,000,000, at a price of \$0.40 per common share.

On October 13, 2017, an updated was issued in regards to the above stated transaction, that it was determined to be in the best interest all parties that the proposed transaction include the following companies:

- Make It Right Releasing (Production & International TV sales)
- Restovate (Holmes Approved Products)
- Holmes Approved Homes (HAH), (1367790 Alberta Ltd.)
- Mike Holmes Inspections (MHI), (2186774 Ontario Inc.)

The completion of the Transaction is subject to various approvals including TSXV, Board of Directors of both the Corporation and Holmes Services Companies and if applicable the shareholders of the Corporation and the Holmes Services Companies.