

BB1 ACQUISITION CORP.

Financial Statements

**For the Period from the Date of Incorporation
(March 2, 2018) to September 30, 2018**

Expressed in Canadian Dollars

NOTICE TO READER

The accompanying unaudited condensed interim financial statements of BB1 Acquisition Corp. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim financial statements have not been reviewed by the Company's auditors.

BB1 ACQUISITION CORP.
Statement of Financial Position
(In Canadian Dollars)
As at September 30, 2018

Assets

Current assets

Funds held in trust	\$ 484,350
Amount receivable	6,783
Deferred financing fees (note 3)	47,227

\$ 538,360

Liabilities

Accounts payable and accrued liabilities (note 6)	\$ 75,654
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Shareholders' Equity

Share capital (note 3)	485,341
Deficit	(22,635)

462,706

\$ 538,360

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

APPROVED BY THE BOARD

“Eric Szustak”

Eric Szustak
Director

“Mark Brennan”

Mark Brennan
Director

BB1 ACQUISITION CORP.**Statement of Operations and Comprehensive Loss**

(In Canadian Dollars)

For the Period from the Date of Incorporation (March 2, 2018) to September 30, 2018

Expenses		
Professional fees (<i>note 6</i>)	\$	14,945
Filing and listing fees		7,690
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Net loss and comprehensive loss for the period	\$	(22,635)
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Net loss per share – basic and diluted	\$	0.00
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Weighted average shares outstanding- basic and diluted		10,000,000

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

BB1 ACQUISITION CORP.**Statement of Cash Flows**

(In Canadian Dollars)

For the Period from the Date of Incorporation (March 2, 2018) to September 30, 2018**CASH FLOWS FROM OPERATING ACTIVITIES**

Net loss for the period	\$ (22,635)
Net change in non-cash working capital	
Deferred financing fees	(47,227)
Amount receivable	(6,783)
Accounts payable and accrued liabilities	75,654
	(991)

CASH FLOWS FROM FINANCING ACTIVITIES

Private Placement	500,000
Share issue costs	(14,659)
Net change in cash	485,341
Cash, beginning of period	-
Cash, end of period	\$ 484,350

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

BB1 ACQUISITION CORP.**Statement of Changes in Equity****For the Period from the Date of Incorporation (March 2, 2018) to September 30, 2018**

(In Canadian Dollars)

	Number of shares	Share Capital	Deficit	Shareholders' Equity
Balance March 2, 2018	-	\$ -	\$ -	\$ -
Private placements (<i>note 3</i>)	10,000,000	500,000	-	500,000
Share issue costs	-	(14,659)	-	(14,659)
Net loss for the period	-	-	(22,635)	(22,635)
Balance September 30, 2018	10,000,000	\$ 485,341	\$ (22,635)	\$ 462,706

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

BB1 Acquisition Corp.
Notes to Financial Statements

(In Canadian Dollars)

For the Period from the Date of Incorporation (March 2, 2018) to September 30, 2018

1. INCORPORATION AND NATURE OF BUSINESS

BB1 Acquisition Corp. (the "Corporation" or "BB1") was incorporated under the Ontario Business Corporation Act on March 2, 2018 and is in the process of applying for status as a Capital Pool Corporation as defined in the Policy 2.4 of the TSX Venture Exchange (the "Exchange").

The principal business of the Corporation will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction ("QT"). The Corporation has not commenced commercial operations and has no assets other than cash and deferred financing fees. Given the nature of the activities, no separate segmented information is reported. The Corporation's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition of a 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 Corporation in respect of the sale of its securities or \$150,000, may be used for purposes other than evaluating businesses or assets. These restrictions apply until completion of a QT by the Corporation as defined under the policies of the Exchange. The Corporation is required to complete its QT on or before two years from the date the Corporation receives regulatory approval.

The head office and the registered head office of the Corporation is located at 66 Wellington Street West, Suite 4100, Toronto, Ontario M5K 1B7

On November 28, 2018, the Board of Directors approved the financial statements for the period from the Date of Incorporation (March 2, 2018) to September 30, 2018.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

Basis of Measurement

These financial statements have been prepared on a historical cost basis except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting.

These financial statements are presented in Canadian dollars, which is also the Corporation's functional currency.

BB1 Acquisition Corp.
Notes to Financial Statements

(In Canadian Dollars)

For the Period from the Date of Incorporation (March 2, 2018) to September 30, 2018

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial Instruments

Financial instruments consist of financial assets and financial liabilities and are initially recognized at fair value net of transaction costs, if applicable. Measurement in subsequent periods depends on whether the financial instrument has been classified as "fair value through profit or loss", "loans and receivables", "available-for-sale", "held-to-maturity", or "financial liabilities measured at amortized cost" as follows:

Financial assets

The Corporation's sole financial asset is cash. Cash is measured at fair value and changes to fair value subsequent to initial recognition are recorded in profit or loss for the period in which they occur.

Impairment of financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the fair value or estimated future cash flows of an asset. An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

All impairment losses are recognized in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

Financial liabilities

Financial liabilities comprise accounts payable and accrued liabilities. These instruments are classified as financial liabilities measured at amortized cost using the effective interest rate method. Under this classification, all cash flows from these instruments are discounted, where material, to their present value. Over time, this present value is accreted to the future value of remaining cash flows, and this accretion is recorded as interest expense.

The Corporation settles its accounts payable and accrued liabilities on a short-term basis and, therefore, the discounting and accretion of these financial liabilities are immaterial for the periods reported.

Financing costs

Costs incurred to obtain equity financing are deducted from the value assigned to shares issued. When costs are incurred prior to the closing of a financing arrangement, these amounts are presented as a deferred asset until the financing has closed. When an expected financing arrangement does not occur, any deferred costs are recorded as an expense.

BB1 Acquisition Corp.
Notes to Financial Statements

(In Canadian Dollars)

For the Period from the Date of Incorporation (March 2, 2018) to September 30, 2018

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Share-based compensation

The Corporation may grant stock options to acquire common shares of the Corporation to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes or provides services similar to those performed by an employee.

When stock options are exercised, the cash proceeds along with the amount previously recorded as equity reserves are recorded as share capital. When the right to receive options is forfeited before the options have vested, any expense previously recorded is reversed.

Income taxes

Tax provisions are recognized when it is considered probable that there will be a future outflow of funds to a taxing authority. In such cases, a provision is made for the amount that is expected to be settled, where this can be reasonably estimated. This requires the application of judgment as to the ultimate outcome, which can change over time depending on facts and circumstances. A change in estimate of the likelihood of a future outflow and/or in the expected amount to be settled would be recognized in income in the period in which the change occurs.

Deferred tax assets or liabilities, arising from temporary differences between the tax and accounting values of assets and liabilities, are recorded based on tax rates expected to be enacted when these differences are reversed. Deferred tax assets are recognized only to the extent it is considered probable that those assets will be recovered. This involves an assessment of when those deferred tax assets are likely to be realized, and a judgment as to whether or not there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as in the amounts recognized in profit or loss for the period in which the change occurs.

Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in income both in the period of change, which would include any impact on cumulative provisions, and in future periods.

Deferred taxes

Provisions for income and other taxes are based on management's interpretation of taxation laws, which may differ from the interpretation by taxation authorities. Such differences may result in eventual tax payments differing from amounts accrued. Reported amounts for deferred tax assets and liabilities are based on management's expectation for the timing and amounts of future taxable income or loss, as well as future taxation rates. Changes to these underlying estimates may result in changes to the carrying value, if any, of deferred tax assets and liabilities.

BB1 Acquisition Corp.
Notes to Financial Statements

(In Canadian Dollars)

For the Period from the Date of Incorporation (March 2, 2018) to September 30, 2018

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(Loss) earnings per share

Basic (loss) earnings per share is calculated by dividing net (loss) earnings by the weighted average number of common shares outstanding during the period which excludes shares held in escrow.

Diluted (loss) earnings per share is determined by adjusting the earnings or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of dilutive instruments, which includes stock options, as if their dilutive effect was at the beginning of the period. The calculation of the diluted number of common shares assumes that proceeds received from the exercise of "in-the-money" stock options and common share purchase warrants are used to purchase common shares of the Corporation at their average market price for the period.

In periods that the Corporation reports a net loss, stock options are excluded from the calculation of diluted loss per share as their inclusion would be anti-dilutive.

Use of estimates and measurement uncertainties

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the measurements of assets, liabilities, revenues, expenses and certain disclosures reported in these financial statements. Significant estimates made by management include the following:

Valuation of share-based compensation

Management uses the Black-Scholes option pricing model to determine the fair value of employee stock options. This model requires assumptions of the expected future price volatility of the Corporation's common shares, expected life of options, future risk-free interest rates and the dividend yield of the Corporation's common shares.

Measurement Uncertainty

The preparation of financial statements in conformity with IFRS accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates used in the financial statements.

BB1 Acquisition Corp.
Notes to Financial Statements

(In Canadian Dollars)

For the Period from the Date of Incorporation (March 2, 2018) to September 30, 2018

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Accounting standards and interpretations issued but not yet effective

The following new accounting standards and interpretations have been published, but have not been applied in the preparation of these financial statements:

IFRS 16, Leases

In January 2016, the IASB issued IFRS 16 Leases which replaces the previous leases standard, IAS 17 Leases. IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and, instead, introduces a single lessee accounting model. Lessors continue to classify leases as operating leases or finance leases, and account for those two types of leases differently. IFRS 16 is effective for periods beginning on or after January 1, 2019.

The eventual application of these standards is not expected to have a significant impact on the Corporation's existing accounting policies or financial statement presentation.

Foreign Currency

The financial statements are presented in Canadian dollars, which is the Corporation's functional and presentation currency.

3. SHARE CAPITAL

Authorized

Unlimited common shares

Issued

10,000,000 Common shares	\$	500,000
Share Issue Costs		(14,659)
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Balance, September 30, 2018	\$	485,341

Escrowed Shares

The Corporation issued 10,000,000 common shares at \$0.05 per share for total proceeds of \$500,000.

Subject to an Escrow Agreement pursuant to the requirements of the Exchange, 10,000,000 common shares issued in July 2018 will be held in escrow. Under the terms of the Escrow Agreement, these shares will be released as to 10% thereof on the completion of the Corporation's QT, as defined in the policies of the Exchange, and as to 15% thereof on each of the 6th, 12th, 18th, 24th, 30th and 36th months following the initial release.

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

BB1 Acquisition Corp.
Notes to Financial Statements

(In Canadian Dollars)

For the Period from the Date of Incorporation (March 2, 2018) to September 30, 2018

3. SHARE CAPITAL (Cont'd)

All common shares of the Corporation acquired in the secondary market prior to the completion of a QT 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 Corporation held by principals of the resulting issuer will also be subject to escrow.

Agency Agreement

On June 13, 2018, the Corporation engaged Canaccord Genuity Corp. as its agent, on a commercially reasonable efforts basis, in the Corporation's initial public offering of 5,000,000 common shares of the Corporation at a price of \$0.10 per share under a prospectus to be filed with the Ontario Securities Commission (the "Offering"). The proceeds of the Offering will be used by the Corporation to fund its search for a Qualifying Transaction within 24 months of the initial public offering. In consideration of services to be performed by its agent, the Corporation has agreed to a cash commission of 10% of the gross proceeds of the offering and reimburse the agent for necessary and reasonable expenses. In addition, the agent has received an advance of retainer of \$10,000 to cover out-of-pocket expenses. The agent shall be paid an administration fee of \$15,000 upon closing of the offering. The Corporation will also grant Agent's warrants to purchase up to 10% of the gross proceeds of the offering at a price of \$0.10 per common share. The Agent's warrants will be exercisable for a period of 24 months from the date of listing of the common shares on the TSX-V.

Included in deferred financing fees are advance retainer of \$10,000 and \$37,227 legal fees incurred in connection with the Offering at September 30, 2018.

Stock Options

On July 12, 2018, the Corporation established a stock option plan for its directors, officers and technical consultants under which the Corporation may grant options from time to time to acquire a maximum of 10% of the issued and outstanding common shares. The exercise price of each option granted under the plan shall be determined by the Board of Directors.

Options may be granted for a maximum term of ten years from the date of the grant, are non-transferable and expire within 90 days of termination of employment or holding office as director or officer of the Corporation and, in the case of death, expire within one year thereafter.

Upon death, the options may be exercised by legal representation or designated beneficiaries of the holder of the option. Any shares issued upon exercise of the options prior to the Corporation entering into a Qualifying Transaction will be subject to escrow restrictions. Unless otherwise stated, the options fully vest when granted.

The stock option plan is subject to regulatory approval.

No options have been granted or are outstanding at September 30, 2018.

BB1 Acquisition Corp.
Notes to Financial Statements

(In Canadian Dollars)

For the Period from the Date of Incorporation (March 2, 2018) to September 30, 2018

4. INCOME TAXES

A reconciliation of combined federal and provincial corporate income taxes at statutory rates of 26.5% to the Corporation's effective income tax expense is as follows:

Net loss for the period	\$ (22,635)
Expected income tax recovery	\$ (5,998)
Tax rate changes and other adjustments	5,998
Income tax recovery	\$ -

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following items because it is not probable that future taxable profit will be available against which the Corporation can utilize the benefits therefrom:

Non-capital loss carry forward	\$ 22,635
Financing costs	\$ 14,659

The non-capital losses can be carried forward twenty years to be applied against future taxable income, with the balance expiring in 2037. Financing costs are deductible over the next five years.

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Capital Management

The Corporation's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Corporation includes equity, comprised of issued common shares, in the definition of capital.

The Corporation'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 Corporation may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

Risk Disclosures and Fair Values

The Corporation's financial instruments carried at amortized cost, consisting of accounts payable and accrued liabilities approximate fair value due to the relatively short-term maturity of the instruments. It is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments.

BB1 Acquisition Corp.
Notes to Financial Statements

(In Canadian Dollars)

For the Period from the Date of Incorporation (March 2, 2018) to September 30, 2018

6. RELATED PARTY TRANSACTIONS AND BALANCES

During the period ended September 30, 2018, the Corporation incurred legal fees for services provided by a law firm whose partner is a director of the Corporation. An amount of \$37,227.10 has been included in deferred financing fees and \$9,009 has been included in share issue costs. Included in accounts payable and accrued liabilities is \$59,399.92 balance owing to this law firm.

There were no other transactions with related parties and no remuneration was paid to key management personnel during the period ended September 30, 2018.

All transactions with related parties have occurred in the normal course of operations.