

BB1 ACQUISITION CORP.

Financial Statements

**For the Period from the Date of Incorporation
(March 2, 2018) to December 31, 2018**

Expressed in Canadian Dollars

Independent Auditor's Report

To the Shareholders of BB1 Acquisition Corp:

Opinion

We have audited the financial statements of BB1 Acquisition Corp. (the "Corporation"), which comprise the statement of financial position as at December 31, 2018, and the statements of loss and other comprehensive loss, changes in equity and cash flows for the period from March 2, 2018 (date of incorporation) to December 31, 2018, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2018, and its financial performance and its cash flows for the period from March 2, 2018 to December 31, 2018 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Patrycja Anna Kajda.

Mississauga, Ontario

April 29, 2019

MNP LLP
Chartered Professional Accountants

Licensed Public Accountants

BB1 Acquisition Corp.
Statement of Financial Position
(In Canadian Dollars)
As at December 31, 2018

Assets

Current Assets

Cash	\$ 825,493
	\$ 825,493

Liabilities

Current Liabilities

Accounts payable and accrued liabilities (note 8)	\$ 19,880
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Shareholders' Equity

Share capital (note 3)	813,259
Warrants (note 4)	27,000
Contributed Surplus (note 5)	45,000
Deficit	(79,646)
	805,613
	\$ 825,493

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

Nature of operations and going concern (note 1)
Subsequent events (Note 9)

APPROVED BY THE BOARD

“Stephen Shefsky”

Stephen Shefsky
Director

“Mark Brennan”

Mark Brennan
Director

BB1 Acquisition Corp.
Statement of Loss and Comprehensive Loss

(In Canadian Dollars)

For the Period from the Date of Incorporation (March 2, 2018) to December 31, 2018

Expenses

Professional fees (note 7)	\$	26,644
Filing fees		7,690
Office and general		312
Share-based compensation (note 5)		45,000

Net loss and comprehensive loss for the period **\$ (79,646)**

Net loss per share – basic and diluted **\$ (0.06)**

Weighted average shares outstanding- basic and diluted **1,430,921**

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 December 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES

Net loss for the period	\$ (79,646)
Adjustment to reconcile net loss to net cash used in operating activities	
Share-based compensation	45,000
Net change in non-cash working capital	19,880
	<hr/> 14,766

CASH FLOWS FROM FINANCING ACTIVITIES

Private Placement	1,000,000
Share issue costs	(159,741)
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Net change in cash **840,259**

Cash, beginning of the period **-**

Cash, end of the period **\$ 825,493**

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

BB1 Acquisition Corp.
Statement of Changes in Equity

(In Canadian Dollars)

For the Period from the Date of Incorporation (March 2, 2018) to December 31, 2018

	Number of Shares	Share Capital	Contributed Surplus	Warrants	Deficit	Shareholders' Equity
Balance March 2, 2018	-	\$ -	\$ -	\$ -	\$ -	\$ -
Private placements (<i>note 3</i>)	15,000,000	1,000,000	-	-	-	1,000,000
Warrants (<i>note 4</i>)	-	-	-	27,000	-	27,000
Share Issue Costs (<i>note 3</i>)	-	(186,741)	-	-	-	(186,741)
Share based compensation (<i>note 5</i>)	-	-	45,000	-	-	45,000
Net loss for the period	-	-	-	-	(79,646)	(79,646)
Balance, December 31, 2018	15,000,000	\$ 813,259	\$ 45,000	\$ 27,000	\$ (79,646)	\$ 805,613

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 December 31, 2018

1. INCORPORATION AND NATURE OF BUSINESS

BB1 Acquisition Corp. (the "Corporation" or "BB1") was incorporated under the Ontario Business Corporation. 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.

There is no assurance that the Company will identify a Qualifying Transaction within the time limitations permissible under the policies of the Exchange, at which time the Exchange may suspend or delist the Company's shares from trading.

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 110 Yonge Street, Suite 501, Toronto, Ontario M5C 1T4.

On April 29, 2019, the Board of Directors approved the financial statements for the year ended December 31, 2018.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The significant accounting policies applied in the Corporation's financial statements are based on International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC") effective as of December 31, 2018.

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.

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 December 31, 2018

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

Financial Instruments

IFRS 9 includes requirements for recognition and measurement, impairment, derecognition, and general hedge accounting. Financial assets within the scope of IFRS 9 are classified in the following measurement categories: amortized cost, fair value through profit or loss ("FVTPL"), or fair value through other comprehensive income ("FVOCI"). Financial liabilities are classified in the following measurement categories: fair value through profit or loss, or amortized cost.

Financial assets

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

Amortized Cost

Financial assets classified as amortized cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Fair value through profit or loss

Financial assets classified as FVTPL are measured at fair value with changes in fair value recognized in net profit or loss.

Classification

The Corporation determines the classification of its financial assets at initial recognition. All financial assets are recognized initially at fair value plus or minus, in the case of financial assets not classified as FVTPL, directly attributable transaction costs.

BB1 Acquisition Corp.

Notes to Financial Statements

(In Canadian Dollars)

For the Period from the Date of Incorporation (March 2, 2018) to December 31, 2018

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

Financial Instruments (continued)

Impairment of financial assets

Financial assets not measured at FVTPL are 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 that occurred after the initial recognition of the financial assets, have had a negative effect on the fair value or estimated future cash flows of an asset. Evidence of impairment could include: significant financial difficulty of the issuer or counterparty; default or delinquency in interest or principal payments; or the likelihood that the borrower will enter bankruptcy or financial reorganization. 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 and are classified at amortized cost. 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.

Amortized Cost

Financial liabilities measured at amortized cost, include borrowings, are initially measured at fair value, net of transaction costs. Financial liabilities measured at amortized cost are subsequent measured at amortized cost using the effective interest method, with interest recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest costs over relevant periods. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or to the net carrying amount on initial recognition.

Derecognition of Financial Liabilities

The Corporation de-recognizes financial liabilities when the obligations are discharged, cancelled, or expire.

BB1 Acquisition Corp.
Notes to Financial Statements

(In Canadian Dollars)

For the Period from the Date of Incorporation (March 2, 2018) to December 31, 2018

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

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.

Share-based compensation

The Corporation offers a share option plan for its directors, officers, employees and selected consultants. The stock option plan allows the Corporation's employees and consultants to acquire shares of the Corporation. The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in equity. 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.

The fair value is measured at the grant date and each tranche is recognized on a graded-vesting basis over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each period end, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

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.

Deferred taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current tax is recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous year.

Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized and the liability is settled. The effect of a change in the enacted or substantively enacted tax rates is recognized in net loss and comprehensive loss or in equity depending on the item to which the adjustment relates.

BB1 Acquisition Corp.

Notes to Financial Statements

(In Canadian Dollars)

For the Period from the Date of Incorporation (March 2, 2018) to December 31, 2018

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

Deferred taxes (continued)

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Loss earnings per share

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

Diluted loss 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.

Significant Accounting Judgements and Estimates

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

The Corporation 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.

Foreign Currency

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

BB1 Acquisition Corp.

Notes to Financial Statements

(In Canadian Dollars)

For the Period from the Date of Incorporation (March 2, 2018) to December 31, 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 financial statements.

IFRIC 23 Uncertainty Over Income Tax Treatments

IFRIC 23 was issued in June 2017 and clarifies the accounting for uncertainties in income taxes. The interpretation committee concluded that an entity shall consider whether it is probable that a taxation authority will accept an uncertain tax treatment. If any entity concludes it is probably that the taxation authority will accept an uncertain tax treatment, then the entity shall determine taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates consistent with the tax treatment used or planned to be used in its income tax filings. If any entity concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the entity shall reflect the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates. IFRIC 23 will be effective for annual periods beginning on or after January 1, 2019. The Corporation does not expect IFRS 23 to have a material impact on its financial statements.

3. SHARE CAPITAL

(a) **Authorized** - Unlimited common shares, with no par value

(b) **Issued** – 15,000,000 common shares

	#	\$
Balance, March 2, 2018	-	-
Shares Issued in seed round financing ⁽ⁱ⁾	10,000,000	500,000
Share issue costs (i)	-	(23,147)
Shares issued in connection with IPO ⁽ⁱⁱ⁾	5,000,000	500,000
Share issue costs (ii)		(163,594)
Balance, December 31, 2018	15,000,000	813,259

BB1 Acquisition Corp.

Notes to Financial Statements

(In Canadian Dollars)

For the Period from the Date of Incorporation (March 2, 2018) to December 31, 2018

3. SHARE CAPITAL (Cont'd)

- (i) In July 2018, the Corporation closed by way of a non-brokered private placement offering (the "Offering") 10,000,000 common shares in the capital of the Corporation at the price of \$0.05 per Common Share for gross proceeds of \$500,000. In connection with the Offering the Corporation paid \$23,147 in share issuance costs.
- (ii) On October 5, 2018, the Corporation issued 5,000,000 common shares at a price of \$0.10 per share pursuant to its Initial Public Offering ("IPO"). The proceeds of the Offering will be used by the Corporation to fund its search for a Qualifying Transaction within 24 months of the IPO. In consideration of services performed by the agent, the Corporation paid cash commission of 10% of the gross proceeds of the offering and reimbursed the agent for necessary and reasonable expenses. The agent was paid an administration fee of \$15,000 upon closing of the offering. The Corporation also granted 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 (Note 4). In connection with the IPO, the Corporation incurred \$163,594 in share issuance costs.

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.

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.

BB1 Acquisition Corp.
Notes to Financial Statements

(In Canadian Dollars)

For the Period from the Date of Incorporation (March 2, 2018) to December 31, 2018

4. WARRANT RESERVE

	Number #	Amount \$
Balance, March 2, 2018	-	-
Agent Warrants issued ⁽ⁱ⁾	500,000	27,000
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Balance, December 31, 2018	500,000	27,000

- (i) In connection with the IPO (Note 3 (ii)), the agent received 500,000 agent's warrants which entitle the holder to purchase one common share of the Corporation at a price of \$0.10 expiring on November 30, 2020. The estimated fair value of the finder's warrants of \$27,000 was estimated using the Black-Scholes option pricing model with the following assumptions: an expected dividend yield of 0%, expected volatility of 100%, a risk-free interest rate of 2.16% and an expected life of 2 years.

5. SHARE-BASED COMPENSATION

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.

On November 30, 2018, the Corporation granted an aggregate of 600,000 stock options to employees, consultants and management exercisable at \$0.10 per share exercisable up to November 30, 2023. The options are vested immediately. The estimated fair value of the options granted of \$45,000 was estimated using the Black-Scholes option pricing model with the following assumptions: an expected dividend yield of 0%, expected volatility of 100%, a risk-free interest rate of 2.16% and an expected life of 5 years. Share-based compensation for the period ended December 31, 2018 amounted to \$45,000.

The Company has the following share options outstanding at December 31, 2018:

Estimated Grant Date Fair Value \$	Outstanding Options #	Options Exercisable #	Exercise Price \$	Expiry Date
45,000	600,000	600,000	0.10	November 30, 2023

The weighted average remaining contractual life of the stock options exercisable at December 31, 2018 was 4.92 years

BB1 Acquisition Corp.

Notes to Financial Statements

(In Canadian Dollars)

For the Period from the Date of Incorporation (March 2, 2018) to December 31, 2018

6. 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.

7. DEFERRED TAX

The reconciliation of the combined Canadian federal and provincial statutory income tax at 26.5% to the effective tax rate is as follows:

	Year 2018
Net loss for the period	\$ (79,646)
Expected income tax recovery	\$ (21,106)
Share-based compensation	11,925
Share issuance costs booked to equity	(39,797)
Change in tax benefits not recognized	48,978
Income tax recovery	\$ -

Unrecognized deferred tax assets

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 deductible temporary differences:

Share issuance costs	\$ 125,078
Non-capital losses carried forward	\$ 59,744

The non-capital loss carry forwards expire as noted in the table below:

Year 2038	\$ 59,744
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BB1 Acquisition Corp.

Notes to Financial Statements

(In Canadian Dollars)

For the Period from the Date of Incorporation (March 2, 2018) to December 31, 2018

8. RELATED PARTY TRANSACTIONS AND BALANCES

During the period ended December 31, 2018, the Corporation incurred legal fees for services provided by a law firm whose partner is a director of the Corporation. An amount of \$58,360 has been included in share issue costs. Included in accounts payable and accrued liabilities is \$1,780 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 December 31, 2018.

All transactions with operations.

9. SUBSEQUENT EVENTS

On January 24, 2019, the Corporation entered into a binding Letter of Intent (the "LOI") with Plantext Ltd. ("Plantext"). The LOI sets forth the general terms and conditions pursuant to which the Company and Plantext have agreed to complete a transaction (the "Transaction") that will result in a reverse take-over of BB1 by the shareholders of Plantext. It is intended that the Transaction will constitute the "Qualifying Transaction" of BB1 as such term is defined in Policy 2.4 of the Corporate Finance Manual (the "Policy") of the TSX Venture Exchange (the "TSXV").

Under the terms of the LOI, it is intended that Plantext and BB1 will enter into a business combination agreement (the "Definitive Agreement"), pursuant to which the Transaction will be completed by way of a share exchange, merger, amalgamation, arrangement or other similar form of transaction, the final structure of which will be subject to receipt by the parties of relevant tax, corporate and securities law advice.

Pre-Closing Capitalization of BB1

As of the date hereof, the Corporation has 15,000,000 issued and outstanding common shares (each a "**BB1 Share**") and securities exercisable or exchangeable for, or convertible into, or other rights to acquire, an aggregate of 1,100,000 BB1 Shares at an exercise price of \$0.10 per BB1 Share (collectively with the BB1 Shares, the "**BB1 Securities**").

The BB1 Shares are currently listed on the TSXV under the symbol "**BBA.P**". The BB1 Shares are currently halted from trading and are expected to remain halted pending the completion of the Transaction.

Pre-Closing Capitalization of Plantext

Plantext is incorporated under Israeli corporate law and, as of the date hereof, has (a) 23,052,116 common shares issued and outstanding (the "**Plantext Shares**"), (b) 2,473,000 stock options exercisable to acquire 2,473,000 Plantext Shares (the "**Plantext Options**") and (c) 600,000 restricted stock units ("**Plantext RSUs**") (collectively, the "**Plantext Securities**"). The holders of Plantext Options and Plantext RSUs will receive options and restricted stock units of BB1 on the same economic terms as the Plantext Options and Plantext RSUs which they replace.

Terms of the Transaction

Prior to the completion of the Transaction, the BB1 Shares shall be consolidated at a ratio of approximately 7.15 pre-consolidation BB1 Shares for every 1 post-consolidation BB1 Share (each a "**Post-Consolidation BB1 Share**"). Upon completion of the Transaction there will be 2,250,000 BB1 Securities outstanding which will be held by current securityholders of BB1.

BB1 Acquisition Corp.

Notes to Financial Statements

(In Canadian Dollars)

For the Period from the Date of Incorporation (March 2, 2018) to December 31, 2018

9. SUBSEQUENT EVENTS (Cont'd)

Prior to or concurrently with closing of the Transaction, Plantext expects to complete a concurrent financing with arm's length subscribers (the "**Concurrent Financing**").

It is anticipated that the Plantext Shares will be attributed an aggregate value of approximately US\$23,000,000 (pre-money and non-diluted). The Plantext Shares will be acquired by BB1 in exchange for the issuance of 23,052,116 Post-Consolidation BB1 Shares. Prior to the completion of the Transaction, the total number of shares issuable by BB1 and the aggregate value of the Plantext Shares shall be adjusted to take into account the Concurrent Financing and any issuances of Plantext Options and Plantext RSUs that occur prior to the Transaction. BB1 shareholders will hold 2,250,000 Post-Consolidation BB1 Securities in total on closing of the Transaction.