

**Rider Investment Capital Corp.**  
(A Capital Pool Company)

**Financial Statements**

For the period from January 30, 2018 (Date of Incorporation)  
to September 30, 2018  
(In Canadian Dollars)

# Rider Investment Capital Corp.

## Statement of Financial Position

As at September 30, 2018

(amounts in Canadian dollars)

---

	<b>2018</b>
<b>Assets</b>	
Cash (note 4)	\$ 249,212
<b>Total Assets</b>	<b>\$ 249,212</b>
<b>Liabilities</b>	
Trade and other payables	\$ 1,355
<b>Shareholders' Equity</b>	
Share capital (note 5)	281,921
Warrants (note 5)	13,236
Contributed surplus (note 5)	33,687
Deficit	(80,987)
	247,857
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 249,212</b>

---

See the accompanying notes to the financial statements

**Approved by the Board:**

Signed "Trevor Wong-Chor"  
Director

Signed "Michael Mansfield"  
Director

# Rider Investment Capital Corp.

## Statement of Net Loss and Comprehensive Loss

From January 30, 2018 (date of incorporation) to September 30, 2018

(amounts in Canadian dollars)

		3 Months		Incorporation to
		September 30, 2018		September 30, 2018
<b>Expenses</b>				
Bank fees	\$	-	\$	30
Dues and filings fees		-		16,279
General office costs		953		1,040
Professional fees		787		29,951
Stock based payments (note 5)		-		33,687
		1,740		80,987
<b>Net loss and comprehensive loss</b>	<b>\$</b>	<b>(1,740)</b>	<b>\$</b>	<b>(80,987)</b>
<b>Net loss per share (note 5):</b>				
Basic and diluted	\$	(0.00)	\$	(0.02)

See the accompanying notes to the financial statements

**Rider Investment Capital Corp.**  
**Statement of Changes in Shareholders' Equity**  
(amounts in Canadian dollars)

	<b>2018</b>
<b>Share Capital (note 5)</b>	
Balance, January 30, 2018	\$ -
Proceeds from issuance of common shares	350,000
Share issue costs	(54,843)
Value of agent options issued	(13,236)
<b>Balance, September 30, 2018</b>	<b>\$ 281,921</b>
<b>Warrants (note 5)</b>	
Balance, January 30, 2018	\$ -
Value of agent options issued	13,236
<b>Balance, September 30, 2018</b>	<b>\$ 13,236</b>
<b>Contributed surplus (note 5)</b>	
Balance, January 30, 2018	\$ -
Stock based payments	33,687
<b>Balance, September 30, 2018</b>	<b>\$ 33,687</b>
<b>Deficit</b>	
Balance, January 30, 2018	\$ -
Net loss for the period	(80,987)
<b>Balance, September 30, 2018</b>	<b>\$ (80,987)</b>
<b>Total Shareholders' Equity</b>	<b>\$ 247,857</b>

*See the accompanying notes to the financial statements*

# Rider Investment Capital Corp.

## Statement of Cash Flows

From January 30, 2018 (date of incorporation) to September 30, 2018

(amounts in Canadian dollars)

	Incorporation to September 30, 2018
<b>Cash provided by (used in):</b>	
<b>Operations:</b>	
Net loss	\$ (80,987)
Items not affecting cash:	
Stock based payments	33,687
Change in non-cash operating working capital	
Trade and other payables	1,355
Net cash used in operating activities	(45,945)
<b>Financing:</b>	
Proceeds from issuance of common shares (note 5)	350,000
Share issue costs (note 5)	(54,843)
Net cash provided by financing activities	295,157
<b>Increase in cash</b>	<b>249,212</b>
Cash, beginning of period	-
<b>Cash, end of period</b>	<b>\$ 249,212</b>

*See the accompanying notes to the financial statements*

# Rider Investment Capital Corp.

## Notes to the Financial Statements

From January 30, 2018 (date of incorporation) to September 30, 2018

(amounts in Canadian dollars)

---

### 1. NATURE OF OPERATIONS

Rider Investment Capital Corp. (the “Company”) was incorporated under the Alberta Business Corporations Act on January 30, 2018 and is in the process for applying for status as a Capital Pool Company, as defined in the 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 is required to complete a QT on or before two years from the date the Company received regulatory approval. The Company has not commenced operations and has no assets other than cash. 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 Company’s head office is located at Suite 650, 816 – 7<sup>th</sup> Avenue SW, Calgary, Alberta, T2P 1A1 and the registered head office is located at Suite 1000, 250 – 2nd Street Avenue SW, Calgary, Alberta, T2P 0C1.

On November 19, 2018, the Board of Directors approved these financial statements.

### 2. BASIS OF PREPARATION

#### Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”) in effect at September 30, 2018.

#### Basis of Measurement

These financial statements are stated in Canadian dollars which is the Company’s functional currency and were prepared on a going concern basis.

These financial statements are the Company’s first financial statements prepared under IFRS and the first financial statements prepared since incorporation.

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### Cash

Cash consists of proceeds generated from the issuance of common shares.

#### Financial Instruments

Financial assets and liabilities, including derivatives, are recorded on the statement of financial position when the Company becomes a party to the financial instrument or derivative contract.

The Company classifies its financial assets and financial liabilities in the following measurement categories i) those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss) and ii) those to be measured at amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at fair value through profit or loss (irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income.

The Company’s cash is classified as financial assets measured at fair value through profit and loss and its trade and other payables are classified as financial liabilities measured at amortized cost.

# Rider Investment Capital Corp.

## Notes to the Financial Statements

From January 30, 2018 (date of incorporation) to September 30, 2018

(amounts in Canadian dollars)

---

### 3. SIGNIFICANT ACCOUNTING POLICIES *(continued from previous page)*

All financial instruments are required to be measured at fair value on initial recognition, plus, in the case of a financial asset or liability not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit and loss. Financial assets and financial liabilities with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

#### **Taxes**

Current tax assets and liabilities for the current periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the intention is to settle on a net basis, or to realize the asset and settle the liability simultaneously. Current tax relating to items recognized directly in equity is recognized in equity and not in the statement of comprehensive income.

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses. Deferred tax assets are recognized to the extent that is probable that taxable profit will be available against which the carry forward of unused tax credits and unused tax losses can be utilized. The exception is where the deferred tax is relating to the deductible temporary difference arises from the initial recognition of an asset or liability in an acquisition that is not a business combination and, at the time of the acquisition, affects neither the accounting profit nor taxable profit or loss and in respect of deductible temporary differences.

#### **Per Common Share**

Basic per share amounts are calculated by dividing the net earnings or loss by the weighted average number of shares outstanding during the year. Diluted per share amounts are calculated by using the treasury stock method, by adjusting the weighted average number of shares outstanding for the potential number of issued instruments which may have a dilutive effect on net earnings or loss. This method assumes that proceeds received from the exercise of in-the-money instruments are used to repurchase common shares at the average market price for the period.

#### **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.

#### **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, 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.

# Rider Investment Capital Corp.

## Notes to the Financial Statements

From January 30, 2018 (date of incorporation) to September 30, 2018

(amounts in Canadian dollars)

---

### 3. SIGNIFICANT ACCOUNTING POLICIES *(continued from previous page)*

IFRS 16 Leases is effective for annual reporting periods beginning on or after January 1, 2019, with early application permitted. The most significant financial reporting impacts of the changes include: all leases will be on the Statement of Financial Position, except those that meet the limited exception criteria; the measurement and presentation of expenses will be significantly impacted as rent expense is removed and replaced by the recording of depreciation and financing expenses; the amount of profit (loss) recognized in a period will likely change as the timing of expenses is accelerated when applying the new standard which uses a finance lease model compared to a straight line operating lease expense; and key ratios may be impacted with the introduction of lease assets and liabilities on the Statement of Financial Position and changes to the timing of expenses. Management is currently evaluating the potential impact of IFRS 16 on the financial statements. The Company has no leases and therefore IFRS 16 has no immediate effect on its financial statements. However, the Company will continue to monitor any potential impact IFRS 16 may have on its financial statements in the future.

### 4. CASH

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 realized or \$210,000 may be used to cover prescribed costs of issuing the common shares or administration and general expenses of the Company. This restriction may apply until the completion of a qualifying transaction by the Company, as defined under the policies of the TSX Venture Exchange.

### 5. SHARE CAPITAL

#### a) Authorized:

Unlimited number common shares

Unlimited number of preferred shares

#### b) Issued:

	Number	Stated Value
Issuance of common shares for cash (escrowed shares)	2,000,000	\$100,000
Issuance of common shares (broker private placement)	2,500,000	250,000
Share issue costs		(54,843)
Value of agent options issued		(13,236)
<b>Balance, September 30, 2018</b>	<b>4,500,000</b>	<b>\$281,921</b>

### Escrowed Shares

During the period, the Company issued 2,000,000 common shares at \$0.05 per common share, which are subject to an escrow agreement. The issued and outstanding common shares will be held in escrow pursuant to the requirements of the Exchange and terms of escrow agreement and will be released from escrow in stages over a period of up to three years after the date of the Company receiving the final Exchange acceptance of the QT. These common shares which are considered contingently issuable until the Company completes a QT are not considered to be outstanding for purposes of the loss per share calculation.

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 pursuant to the terms of the escrow agreement.

# Rider Investment Capital Corp.

## Notes to the Financial Statements

From January 30, 2018 (date of incorporation) to September 30, 2018

(amounts in Canadian dollars)

---

### 5. SHARE CAPITAL *(continued from previous page)*

#### Brokered Private Placement

On May 18, 2018, the Company completed its initial public offering (the "Offering") of 2,500,000 common shares at a purchase price of \$0.10 per common share for aggregate gross proceeds of \$250,000. In connection with the offering, the Agent received a cash commission \$25,000 and was paid legal expenses, a corporate finance fee and other disbursements totaling \$29,842. In connection with the Offering, the Company also granted to the Agent options to acquire up to an aggregate of 250,000 common shares (the "Agent's Options").

Each Agent's Option is exercisable to acquire one common share at a price of \$0.10 for a period of 24 months following the date that the common shares are listed on the Exchange. The Agent's Options were valued on the date of issue using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, discount rate of 1.87%, expected volatility of 100%, and an expected life of two years. The value attributed the 250,000 Agent's Options was \$13,236.

#### Stock options

The Company has a common share purchase option plan (the "Plan") for directors, officers, employees and consultants. The total number of options issued and outstanding at any time cannot exceed 10% of the issued and outstanding common shares of the Company unless shareholder and regulatory approvals are obtained. Under the Plan, options may have up to a ten-year term and are non-transferable, however the current options granted have a five-year term. Unless otherwise determined by the Board of Directors, options vest immediately upon granting and may be exercised until the greater of twelve months after the completion of the QT and ninety days following the date of termination of employment or holding office as a director or officer of the Company and, in the case of death, expire within one year thereafter. Options are granted at a price no lower than the market price of the common shares less any discounts allowed by the Exchange at the time of the grant.

On May 18, 2018, the Company granted 450,000 stock options to the directors and officers of the Company. Each option is exercisable to acquire one common share at a price of \$0.10 for a period of 5 years following the date of issuance. The options were valued on the date of issue using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, discount rate of 1.87%, expected volatility of 100%, and an expected life of five years. The value attributed the 450,000 stock options was \$33,687.

### 6. 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 shareholders' 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 a QT. 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 Company is subject to restrictions until completion of the QT 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 trade and other payables, approximates their fair value due to the relatively short-term maturity of these instruments.

# Rider Investment Capital Corp.

## Notes to the Financial Statements

From January 30, 2018 (date of incorporation) to September 30, 2018

(amounts in Canadian dollars)

---

### 6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued from previous page)*

It is management's opinion that the Company is not exposed to significant credit, interest or currency risks arising from these financial instruments, except as otherwise disclosed.

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 Company 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 process (unadjusted) in the active market for identical assets or liabilities.

Level 2: Fair value measurements are those derived from inputs other than quoted process 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.

#### Credit risk

The Company's financial asset is cash. The Company's maximum exposure to credit risk, as at period end, is the carrying value of its financial asset. The Company manages credit risk by maintaining its cash held in Canadian bank accounts.

#### Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company is in the process of conducting an initial public offering ("IPO") to raise additional funds. The Company's ability to meet its liabilities when due is dependent on support of shareholders through public or private equity offerings.

The following are the contractual maturities of financial liabilities as at September 30, 2018:

Financial Liabilities	< One Year	> One Year
Trade and other payables	\$1,355	\$ -
<b>Total</b>	<b>\$1,355</b>	<b>\$ -</b>

#### Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rate and foreign exchange rates.

a) Interest rate risk:

The Company has cash balances that bear no interest.

b) Foreign currency risk:

The Company does not have assets or liabilities denominated in a foreign currency.

### 7. RELATED PARTY TRANSACTIONS

No remuneration was paid to management personnel during the period ended September 30, 2018.

During the period ended September 30, 2018, the Company incurred legal costs of \$22,206 (three month period ended September 30, 2018 - \$302) with a law firm in which a director is a Partner. The legal costs incurred were in the normal course of operations and were based on the exchange value of the service provided. Of the legal services provided, \$302 were included in trade and other payables at September 30, 2018.