

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

**Interim Financial Statements**

For the three and nine month periods ended September 30, 2019 and  
from January 30, 2018 (date of incorporation) to September 30, 2018  
(In Canadian Dollars)

## **Advisory to Reader**

The accompanying unaudited interim financial statements of the Company have been prepared by, and are the responsibility of, the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an auditor.

**Rider Investment Capital Corp.**  
**Statement of Financial Position**

	September 30, 2019	December 31, 2018
<b>Assets</b>		
Cash (note 4)	\$ 220,968	\$ 247,482
<b>Total Assets</b>	<b>\$ 220,968</b>	<b>\$ 247,482</b>
<b>Liabilities</b>		
Accrued liabilities	\$ 430	\$ 10,273
<b>Shareholders' Equity</b>		
Share capital (note 5)	281,921	281,921
Contributed surplus (note 5)	46,924	46,924
Deficit	(108,307)	(91,636)
<b>Total Shareholders' Equity</b>	<b>220,538</b>	<b>237,209</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 220,968</b>	<b>\$ 247,482</b>

*See the accompanying notes to the interim 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**

	Three months ended September 30, 2019	Three months ended September 30, 2018	Nine months ended September 30, 2019	Incorporation to September 30, 2018
<b>Expenses</b>				
Bank fees	\$ 57	\$ -	\$ 114	\$ 30
Dues and filings fees	719	-	8,288	16,279
General office costs	-	953	-	1,040
Professional fees	646	787	8,269	29,951
Stock based payments (note 5)	-	-	-	33,687
	<b>1,422</b>	<b>1,740</b>	16,671	80,987
<b>Net loss and comprehensive loss</b>	<b>\$ (1,422)</b>	<b>\$ (1,740)</b>	<b>\$ (16,671)</b>	<b>\$ (80,987)</b>
<b>Net loss per share:</b>				
Basic and diluted	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.06)
Weighted average shares outstanding	2,500,000	2,500,000	2,500,000	1,388,889

*See the accompanying notes to the interim financial statements*

**Rider Investment Capital Corp.**  
**Statement of Changes in Shareholders' Equity**

	September 30, 2019		December 31, 2018		September 30, 2018
<b>Share Capital (note 5)</b>					
Opening balance	\$ 281,921	\$	-	\$	-
Proceeds from issuance of common shares	-		350,000		350,000
Share issue costs	-		(54,842)		(54,842)
Value of agent warrants issued	-		(13,237)		(13,237)
<b>Ending balance</b>	<b>\$ 281,921</b>	<b>\$</b>	<b>281,921</b>	<b>\$</b>	<b>281,921</b>
<b>Contributed surplus (note 5)</b>					
Opening balance	\$ 46,924	\$	-	\$	-
Stock based payments	-		33,687		33,687
Agent warrants	-		13,237		13,237
<b>Ending balance</b>	<b>\$ 46,924</b>	<b>\$</b>	<b>46,924</b>	<b>\$</b>	<b>46,924</b>
<b>Deficit</b>					
Opening balance	\$ (91,636)	\$	-	\$	-
Net loss for the period	(16,671)		(91,636)		(80,987)
<b>Ending balance</b>	<b>\$ (108,307)</b>	<b>\$</b>	<b>(91,636)</b>	<b>\$</b>	<b>(80,987)</b>
<b>Total Shareholders' Equity</b>	<b>\$ 220,538</b>	<b>\$</b>	<b>237,209</b>	<b>\$</b>	<b>247,857</b>

See the accompanying notes to the interim financial statements

**Rider Investment Capital Corp.**  
**Statement of Cash Flows**

	Nine month period September 30, 2019		Incorporation to September 30, 2018
<b>Cash provided by (used in):</b>			
<b>Operations:</b>			
Net loss	\$	(16,671)	\$ (80,987)
Items not affecting cash:			
Stock based payments		-	33,687
Change in non-cash operating working capital:			
Trade and other payables		(9,843)	1,355
<b>Net cash used in operating activities</b>	<b>\$</b>	<b>(26,514)</b>	<b>\$ (45,945)</b>
<b>Financing:</b>			
Proceeds from issuance of common shares (note 5)		-	350,000
Share issue costs		-	(54,843)
<b>Net cash provided by financing activities</b>	<b>\$</b>	<b>-</b>	<b>\$ 295,157</b>
<b>Change in cash</b>		<b>(26,514)</b>	<b>249,212</b>
Cash, beginning of period		247,482	-
<b>Cash, end of period</b>	<b>\$</b>	<b>220,968</b>	<b>\$ 249,212</b>

*See the accompanying notes to the interim financial statements*

# Rider Investment Capital Corp.

## Notes to the Interim Financial Statements

For the three and nine month periods ended September 30, 2019 and from January 30, 2018 (date of incorporation) to September 30, 2018

---

### 1. NATURE OF OPERATIONS

Rider Investment Capital Corp. (the "Company") was incorporated under the Alberta Business Corporations Act on January 30, 2018 and is 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 issued 2,500,000 common shares for an amount of \$250,000, and on April 23, 2018, the Company's prospectus for an Initial Public Offering ("IPO") of the Company's common shares was accepted by the regulatory authorities. The IPO closed on May 18, 2018 and the total of 2,500,000 common shares were issued at a price of \$0.10 per common share.

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 28, 2019, the Board of Directors approved these interim financial statements.

### 2. BASIS OF PREPARATION

The interim financial statements for the three and nine month periods ended September 30, 2019 and 2018 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 interim financial statements are presented in Canadian dollars. These interim financial statements do not include all disclosure required for fair presentation and should be read in conjunction with the Company's December 31, 2018 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 interim financial statements are disclosed in the Company's December 31, 2018 yearend financial statements.

The interim financial statements have been prepared on a historical cost basis in accordance with IFRS, as detailed in the accounting policies set out in the Company's December 31, 2018 yearend financial statements. These policies have been applied consistently for all periods presented in these interim financial statements.

### 3. ADOPTED ACCOUNTING STANDARDS

IFRS 16 Leases is effective for annual reporting periods beginning on or after January 1, 2019. 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. The Company has no leases and therefore IFRS 16 had no immediate effect on its financial statements.

### 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. There restriction may apply until the completion of a qualifying transaction by the Company, as defined under the polices of the TSX Venture Exchange.

# Rider Investment Capital Corp.

## Notes to the Interim Financial Statements

For the three and nine month periods ended September 30, 2019 and from January 30, 2018 (date of incorporation) to September 30, 2018

### 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		(54,842)
Value of agent warrants issued		(13,237)
<b>Balance, December 31, 2018 and September 30, 2019</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.

#### 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 reimbursed for legal expenses paid, a corporate finance fee and other disbursements totaling \$29,842 which have been recorded as share issue costs. In connection with the Offering, the Company also granted to the Agent warrants to acquire up to an aggregate of 250,000 common shares (the "Agent's Warrants").

Each Agent's Warrant 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 Warrants 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 weighted average life remaining outstanding was 1.38 years. The value attributed to the 250,000 Agent's Warrants was \$13,237.

#### 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.

# Rider Investment Capital Corp.

## Notes to the Interim Financial Statements

For the three and nine month periods ended September 30, 2019 and from January 30, 2018 (date of incorporation) to September 30, 2018

---

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

On May 18, 2018, the Company granted 450,000 stock options to the directors and officers of the Company. Each option, vest immediately and 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 1.88%, expected volatility of 100%, and an expected life of five years. The weighted average life remaining outstanding at December 31, 2018 was 4.38 years. The value attributed to 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 accrued liabilities, approximates their fair value due to the relatively short-term maturity of these instruments.

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'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, 2019:

Financial Liabilities	< One Year	> One Year
Accrued liabilities	\$430	\$ -
<b>Total</b>	<b>\$430</b>	<b>\$ -</b>

# Rider Investment Capital Corp.

## Notes to the Interim Financial Statements

For the three and nine month periods ended September 30, 2019 and from January 30, 2018 (date of incorporation) to September 30, 2018

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

The following are the contractual maturities of financial liabilities as at December 31, 2018:

Financial Liabilities	< One Year	> One Year
Accrued liabilities	\$10,273	\$ -
<b>Total</b>	<b>\$10,273</b>	<b>\$ -</b>

### 7. RELATED PARTY TRANSACTIONS

There were no transactions with related parties and no remuneration was paid to management personnel during the period ended September 30, 2019 (2018 - \$Nil).

During the three month period ended September 30, 2019, the Company incurred legal costs of \$Nil (2018 - \$302) with a law firm in which a director is a Partner. During the nine month period ended September 30, 2019, the company incurred legal costs of \$5,044 (2018 - \$22,206). 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, \$Nil (2018 - \$302) were included in accrued liabilities at September 30, 2019.

### 8. SUBSEQUENT EVENTS

On June 19, 2019, the Company ("Rider") entered into a non-binding letter of intent ("LOI") with US Cryotherapy Holdings Ltd. ("US Cryotherapy"). Pursuant to the LOI, the Company and US Cryotherapy will complete an arm's length business combination transaction, pursuant to which Rider Shares, or Resulting Issuer shares (as the case may be), will be issued to holders of shares of US Cryotherapy, assuming there are 40,000 US Cryotherapy common shares ("USC Shares") outstanding and 3,657,585 US Cryotherapy preferred shares ("USC Preferred Shares") outstanding, on the basis of 1,158.56 post-Consolidation Rider Shares (or Resulting Issuer shares as applicable) for every one USC Share and USC Preferred Shares be exchanged at a ratio of 1.00 Rider Share for each USC Preferred Share (the "Exchange Ratio"), provided that the Exchange Ratio may change. The deemed value of the proposed transaction is \$40,000,000 at a deemed price of \$0.80 per share.

In connection with the Transaction, Rider anticipates that the 4,500,000 shares in the capital of Rider (the "Rider Shares") currently issued and outstanding will be consolidated ("Consolidation") on a 2:1 basis.

In addition, Rider will issue 716,667 Rider Shares to a certain shareholder of US Cryotherapy in settlement of US\$430,000 of the currently outstanding demand loan, the Rider Shares issued for settlement of this debt will increase if the demand loan increases. It is intended that 50% of the demand loan at the time of closing will be settled through the issuance of Rider Shares.

On completion of the Transaction, the securityholders of US Cryotherapy would own a majority of the issued and outstanding shares of the Resulting Issuer. The common shares of the Resulting Issuer will be listed for trading on the TSXV. A finders fee is expected to be paid in relation to the proposed transaction.

US Cryotherapy is a United States-based provider of cryotherapy technology centers and equipment. Additionally, the Company is developing a clinical pathway with a large US Hospital Network and a pre-submission package expected to lead to FDA medical device approval. Treatments allow sufferers of acute and chronic pain and inflammation to recover and rejuvenate faster and naturally. The target market includes over 100 million people with pain costing the healthcare industry over \$5.5B annually. Elite athletes, celebrities, and people seeking rejuvenation and recovery have gravitated to whole body cryotherapy treatments in recent years.

The Company utilizes proprietary equipment in its corporate and franchise owned wellness and recovery centers. It recently opened the first of multiple planned military base retail locations at Fort Hood, TX in late 2018 under a CONUS award through Army Air Force Exchange. The Franchising Division has opened 18 locations since Q1 2016 with new centers in development in 2019. US Cryotherapy also sells equipment directly to professional and NCAA sports programs, independent wellness and fitness centers nationwide. List of locations: <http://www.uscryotherapy.com/locations-list/>

US Cryotherapy introduced Whole Body Cryotherapy (WBC) to the United States creating the market in 2011 offering whole body, walk-in chamber technology with nitrogen-free cooling. There are documented advantages in areas of: safety, outcomes, cost and convenience using electric refrigerated systems within over 300 published studies available on the National Institutes of Health (NIH).

# Rider Investment Capital Corp.

## Notes to the Interim Financial Statements

For the three and nine month periods ended September 30, 2019 and from January 30, 2018 (date of incorporation) to September 30, 2018

---

### 8. SUBSEQUENT EVENTS *(continued from previous page)*

The Company has become a global leader in WBC having administered more than 1 million treatments since 2011 without any adverse events, averaging an estimated 20,000 customer visits per month and growing. US Cryotherapy contract manufactures and services its proprietary equipment in the US.

Pursuant to the terms of the LOI, until the earliest of (i) the execution of a definitive agreement (the "Definitive Agreement"); (ii) mutual agreement of Rider and US Cryotherapy; or (iii) the termination of the LOI in accordance with its terms, Rider and US Cryotherapy have agreed not to solicit, negotiate, accept or discuss with any other entity, any transaction that would be in opposition to or in competition with the Transaction.

The completion of the Transaction is subject to the satisfaction of various conditions as are standard for a transaction of this nature, including but not limited to (i) the negotiation of the Definitive Agreement; (ii) completion by Rider, US Cryotherapy and their respective advisors of "due diligence" satisfactory to the parties; and (iii) US Cryotherapy provides audited financial statements for the years ended December 31, 2018 and 2017. There can be no assurance that the Transaction will be completed on the terms proposed above or at all.

Trading in the Corporation's common shares has been halted at the Corporation's request and the halt is expected to continue pending the negotiation of the Transaction Agreement and the TSXV's review and acceptance of materials for the Transaction.