

Bold Capital Enterprises Ltd.

Interim Condensed Financial Statements
For the nine-month period ended
September 30, 2022

MALLETTE

Société de comptables
professionnels agréés

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UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022

Statements regarding the interim condensed financial statements

Management has prepared the accompanying interim condensed financial statements of Bold Capital Enterprises Ltd., which include the interim condensed statement of financial position as at September 30, 2022, and the interim condensed statements of net loss and comprehensive loss, changes in equity and cash flows for the nine-month period then ended. No audit firm has examined or audited these interim condensed financial statements.

Bold Capital Enterprises Ltd.

INTERIM CONDENSED STATEMENT OF NET LOSS AND COMPREHENSIVE LOSS

For the period of

“Unaudited”

	Nine months ended September 30, 2022	Nine months ended September 30, 2021	Three months ended September 30, 2022	Three months ended September 30, 2021
INTEREST INCOME	\$ 6,563	\$ -	\$ 4,375	\$ -
OPERATING EXPENSES				
Listing and maintenance expenses	9,196	13,354	2,485	6,566
Professional fees	177,853	54,814	69,323	5,912
	187,049	68,168	71,808	12,478
NET LOSS AND COMPREHENSIVE LOSS	\$ (180,486)	\$ (68,168)	\$ (67,433)	\$ (12,478)
Net loss per share (Note 7)				
Net loss, basic and diluted	\$ (0.004)	\$ (0.009)	\$ (0.001)	\$ (0.002)
Basic and diluted weighted average number of shares (Note 7)	47,264,500	7,264,500	47,264,500	7,264,500

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

Bold Capital Enterprises Ltd.

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

For the nine-month period ended September 30,

“Unaudited”

	Number			2022 Amount			
	Common shares	Stock options	Total	Share capital	Contributed surplus	Deficit	Total
	BALANCE, as at December 31, 2021	47,264,500	726,450	47,990,950	\$ 2,259,982	\$ 72,000	\$ (508,282)
Share issuance costs	-	-	-	(5,000)	-	-	(5,000)
Stock options expired (Note 6)	-	(415,113)	(415,113)	-	-	-	-
Net loss and comprehensive loss of the period	-	-	-	-	-	(180,486)	(180,486)
BALANCE, as at September 30, 2022	47,264,500	311,337	47,575,837	\$ 2,254,982	\$ 72,000	\$ (688,768)	\$ 1,638,214

	Number			2021 Amount			
	Common shares	Stock options	Total	Share capital	Contributed surplus	Deficit	Total
	BALANCE, as at December 31, 2020	7,264,500	1,072,900	8,337,400	\$ 404,925	\$ 72,000	\$ (386,693)
Stock options expired (Note 6)	-	(346,450)	(346,450)	-	-	-	-
Net loss and comprehensive loss of the period	-	-	-	-	-	(68,168)	(68,168)
BALANCE, as at September 30, 2021	7,264,500	726,450	7,990,950	\$ 404,925	\$ 72,000	\$ (454,861)	\$ 22,064

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

Bold Capital Enterprises Ltd.

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

As at	September 30, 2022	December 31, 2021
	(unaudited)	(audited)
ASSETS		
CURRENT ASSETS		
Cash in trust	\$ 1,447,862	\$ 2,074,841
Interest receivable	6,563	-
Advance to a company, 5%	350,000	-
Prepaid expenses	1,495	-
	<u>\$ 1,805,920</u>	<u>\$ 2,074,841</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	\$ 167,706	\$ 201,141
Amount due to shareholders	-	50,000
	<u>167,706</u>	<u>251,141</u>
SHAREHOLDERS' EQUITY		
Share capital (Note 4)	2,254,982	2,259,982
Contributed surplus (Note 6)	72,000	72,000
Deficit	(688,768)	(508,282)
	<u>1,638,214</u>	<u>1,823,700</u>
	<u>\$ 1,805,920</u>	<u>\$ 2,074,841</u>

Statutes of incorporation and nature of activities (Note 1)

On behalf of the Board,

(s) Peter Rona, President

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

Bold Capital Enterprises Ltd.

INTERIM CONDENSED STATEMENT OF CASH FLOWS

For the nine-month period ended September 30,

2022

2021

“Unaudited”

OPERATING ACTIVITIES

Net loss	\$	(180,486)	\$	(68,168)
Net change in non-cash working capital items				
Interest receivable		(6,563)		-
Prepaid expenses		(1,495)		(1,495)
Accounts payable		(33,435)		(38,587)
		(221,979)		(108,250)

INVESTING ACTIVITIES

Advance to a company		(350,000)		-
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FINANCING ACTIVITIES

Reimbursement of the amount due to shareholders		(50,000)		50,000
Share issuance costs		(5,000)		-
		(55,000)		50,000

DECREASE IN CASH AND CASH EQUIVALENTS

(626,979) (58,250)

CASH IN TRUST, beginning of period 2,074,841 137,214

CASH IN TRUST, end of period \$ 1,447,862 \$ 78,964

Cash flows from operating activities do not include any interest paid or encashed, nor any tax paid.

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

Bold Capital Enterprises Ltd.

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

As at September 30, 2022

1. STATUTES OF INCORPORATION AND NATURE OF ACTIVITIES

The Company was incorporated on May 16, 2018 under the Canada Business Corporations Act to become a Capital Pool Company listed on the TSX Venture Exchange Inc. (the “Exchange”), according to the provisions of Policy 2.4 of the TSX Venture Exchange Corporate Finance Manual. The Company’s shares were admitted to trading on April 23, 2019 under the symbol BOLD.P.

The address of the Company's registered office is 800, Square-Victoria Street, bureau 3500, Montréal, Québec, Canada.

The principal business of the Company is the identification and evaluation of assets or business with a view to completing a Qualifying Transaction under policies of the Exchange (Note 9). The Company must complete a Qualifying Transaction, which is subject to the approval of the Exchange. In the case of non-arm’s length Qualifying Transaction, defined by Policy 2.4, the Company must also receive Majority of the Minority shareholders’ approval, in accordance with Policy 2.4.

2. BASIS OF PREPARATION

Statement of compliance

The interim condensed financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and are in conformity with IAS 34.

The accounting policies described below have been applied on a uniform basis in the interim condensed financial statements.

The interim condensed financial statements were authorized for issue by the Board of Directors on November 29, 2022.

Basis of measurement

The interim condensed financial statements of the Company have been prepared on the going concern assumption and on the historical cost basis, except for the financial asset measured at fair value through net income.

Presentation and functional currency

The financial statements are presented in Canadian dollars, which is also the functional currency of the Company.

Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

Bold Capital Enterprises Ltd.

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

As at September 30, 2022

2. BASIS OF PREPARATION (continued)

Use of estimates and judgments

Information related to critical judgments in applying accounting policies and estimates that have the most significant impact on the financial statements relates to deferred income taxes and fair value of stock options.

3. SIGNIFICANT ACCOUNTING POLICIES

Income taxes

The Company provides for income taxes using the asset and liability method of accounting for deferred income taxes. Under this method, deferred tax assets and liabilities are determined based on deductible or taxable temporary differences between the carrying value and tax values of assets and liabilities using enacted or substantively enacted income tax rates expected to be in effect for the year in which the differences are expected to be absorbed. A deferred tax asset must be recognized for any deductible temporary differences to the extent that it is likely that a taxable income, to which these deductible temporary differences can be charged, will be available.

Financial instruments

Recognition, initial measurement and derecognition

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and they are measured initially at fair value adjusted for transaction costs (when applicable).

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or expired.

Classification of financial assets

The classification is determined by both:

- The entity's business model for managing the financial assets;
- The contractual cash flow characteristics of the financial asset.

Bold Capital Enterprises Ltd.

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

As at September 30, 2022

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

Subsequent measurement of financial assets

Financial assets are measured at amortized cost if they meet the following conditions:

- They are held within a business model whose objective is to hold the financial assets and collect their contractual cash flows;
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortized cost using the effective interest method. The Company's cash falls into this category of financial assets.

Classification and measurement of financial liabilities

Financial liabilities are measured at amortized cost using the effective interest method.

The Company's accounts payable fall into this category of financial liabilities.

Share issuance costs

Costs directly identifiable with the issuance of shares are deferred as an asset until the issuance of the shares. At issuance, these costs are recorded as a reduction of share capital. In case of abandonment, these costs are recognized in net income.

Stock-based compensation and other stock-based payments

The Company has a stock option plan under which directors, executives, employees and consultants can be granted stock options of the Company.

Each grant is treated separately with its proper vesting period and its own fair value at the grant date, determined by the Black & Scholes option pricing model. Compensation expense is recognized over the vesting period of each grant according to the number of options granted that should be vested, and any impact is immediately recognized. Any consideration paid by the employees on exercise or purchase of stock options is credited to share capital. The value attributed to stock options is recognized as contributed surplus and is transferred to share capital at the issuance of common shares.

In the normal course of business, the Company grants options in exchange for goods or services to parties other than directors, executives or employees. For these transactions, the Company evaluates the goods or services received and the increase in equity, which is the counterpart, directly to the fair value of goods or services received, unless that fair value cannot be reliably estimated. In this case, the fair value is the value of the options issued on the market at the date the goods or services are received.

Bold Capital Enterprises Ltd.

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

As at September 30, 2022

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Costs relating to assets or businesses acquisition

All costs incurred to identify and evaluate assets or businesses that may be acquired are recognized as expenses at the time they are incurred.

Cash and cash equivalents

Cash and cash equivalents include cash and highly liquid financial instruments, with an initial term of three months or less, when appropriate.

New standards and interpretations not yet adopted

A number of new standards, and amendments to standards and interpretations published by the International Accounting Standards Board are not yet effective and have not been applied in preparing these financial statements. None of these is expected to have a significant impact on the interim condensed financial statements of the Company.

4. SHARE CAPITAL

Authorized

An unlimited number of voting common shares without par value

	September 30, 2022	December 31, 2021
	(unaudited)	(audited)
Stated and outstanding		
47,264,500 common shares	\$ 2,254,982	\$ 2,259,982

Issuance of shares

A total of 4,800,000 common shares (the "Seed Shares") are subject to an escrow agreement: 25% of the escrowed Seed Shares will be released from escrow on the acceptance by the Exchange of the Company's Qualifying Transaction (the "Initial Release"). An additional 25% will be released on each of the dates that are 6 months, 12 months and 18 months following the Initial Release. Any common shares acquired pursuant to the exercise of incentive stock options prior to completion of the Qualifying Transaction must be deposited in escrow and will be subject to escrow until the Initial Release is issued.

Bold Capital Enterprises Ltd.

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

As at September 30, 2022

5. CAPITAL DISCLOSURES

The Company includes the total of the equity in the capital definition. In terms of capital management, the Company's objectives are to preserve its ability to continue its operation to ensure its sustainability, to complete a Qualifying Transaction and to provide an adequate return to its shareholders, and to ensure sufficient equity financing to find a Qualifying Transaction in a way that maximizes the shareholders' return given the assumed risks of the operation. The Company may issue new shares following approval by the Board of Directors.

6. STOCK OPTION PLAN

The Company has adopted an incentive stock option plan which provides that the Board of Directors may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers and employees of the Company and its affiliates, as well as to consultants and management company employees non-transferable options to purchase common shares for a period of up to ten years from the date of the grant, provided that the number of common shares reserved for issuance may not exceed 10% of the total issued and outstanding common shares after the completion of the contemplated initial public offering.

Pursuant to the stock option plan, the maximum number of common shares reserved for issuance in any 12-month period to any one optionee other than a consultant may not exceed 5% of the issued and outstanding common shares at the date of the grant. The maximum number of common shares reserved for issuance in any 12-month period to any consultant may not exceed 2% of the issued and outstanding common shares at the date of the grant.

The following table summarizes the situation of the Company's stock option plan and the changes incurred during the nine-month period ended:

	September 30, 2022		September 30, 2021	
	(unaudited)		(unaudited)	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Outstanding, beginning of the period	726,460	\$ 0.10	1,072,900	\$ 0.10
Expired	(415,113)	-	(346,450)	-
Outstanding, end of the period	311,337	\$ 0.10	726,450	\$ 0.10
Options exercisable, end of the period	311,337	\$ 0.10	726,450	\$ 0.10

Bold Capital Enterprises Ltd.

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

As at September 30, 2022

6. STOCK OPTION PLAN (continued)

The following table summarizes information about the options outstanding and exercisable as at September 30, 2022:

Exercise price	Options outstanding			Options exercisable	
	Number of options outstanding	Weighted average remaining contractual life	Weighted average exercise price	Number of options exercisable	Weighted average exercise price
\$0.10	311,337	1.55 years	\$ 0.10	311,337	\$ 0.10

7. INCOME PER SHARE

The basic income per common share is calculated by dividing the net income (net loss) assumed by the common shareholders by the weighted average number of common shares outstanding during the period. The diluted net income (net loss) per share is calculated giving effect to the potential dilution that could occur if the instruments to issue common shares were exercised at the later of the beginning of the year or the issuance date. The treasury stock method is used to determine the dilutive effect of the instruments.

For the nine-month period ended September 30, 2022, the diluted net loss per share was the same as the basic net loss per share since the dilutive effect of stock options was not included in the calculation: otherwise the effect would have been antidilutive. The number of stock options not included in the calculation for this period is 311,337 stock options. Accordingly, the diluted net loss per share was calculated using the basic weighted average number of shares outstanding.

8. FINANCIAL RISKS

Objectives and politics concerning financial risk management

The Company considers managing risk as being an integral part of its development and diversification strategies. It is exposed to various risks related to its financial instruments. The Company focusses on actively securing short to medium term cash flows by minimizing the exposures to financial markets. The Company does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

Bold Capital Enterprises Ltd.

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

As at September 30, 2022

8. FINANCIAL RISKS (continued)

Financial risks

The Company's most significant financial risk exposure is as follows:

Credit risk

Credit risk relates to the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The company is exposed to credit risk due to the fact that it provides an advance to a company. The risk is mitigated since the advance is to the company which reached an agreement to realize the Qualifying Transaction (Note 9). As at September 30, 2022, the Company holds its cash in a trust account in a law firm.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company is exposed to this risk primarily through its accounts payable. However, as at September 30, 2022, it does not incur any liquidity risk due to its available cash.

9. SIGNIFICANT EVENT

In March 2022, the Company reached an agreement in principle with SinuSafe. The transaction is intended to be effected by way of a share exchange pursuant to which the Company will acquire all of the issued and outstanding shares of SinuSafe in exchange for the issuance of common shares of the Company. Completion of the transaction will be subject to certain conditions, including but not limited to: completion of due diligence by the parties, completion of the minimum private placement of \$6,500,000, receipt of all necessary approvals from the boards of directors of the Company and SinuSafe, all required regulatory and third party approvals, approval of the transaction by the Exchange as Company's Qualifying Transaction, the parties' entry into a Definitive Agreement in furtherance to the letter of intent and closing of the transaction on or before October 31, 2022, unless extended in writing by the Company and SinuSafe. Due to the significant changes in market conditions, the parties have agreed to an extension for the negotiation and signature of a Definitive Agreement from October 31, 2022 to January 31, 2023.

As of November 29, 2022, SinuSafe has advised that they are raising a minimum of US\$ 1,000,000 of additional equity, by way of a private placement, directly into SinuSafe at a price to be determined in the coming weeks with strategic investors in Israel. The private placement into SinuSafe would be non-dilutive to the overall proposed Qualifying Transaction between the Company and SinuSafe. The Company and SinuSafe have agreed, in principal, that immediately following the closing of this SinuSafe Private Placement, there will be a renewed joint effort to raise a minimum of \$3,000,000 as part of the proposed Qualifying Transaction at a price per share that is more in line with the SinuSafe private placement. The parties are negotiating the revised terms and conditions of the proposed Qualifying Transaction, including the overall valuation of SinuSafe. The revised terms will be disclosed as soon as a new agreement is reached.