

Bold Capital Enterprises Ltd.

Financial Statements
As at December 31, 2021 and 2020

Together with Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Bold Capital Enterprises Ltd.,

Opinion

We have audited the financial statements of **BOLD CAPITAL ENTERPRISES LTD.** (Company), which comprise the statements of financial position as at December 31, 2021 and 2020, and the statements of net income and comprehensive income, changes in equity and cash flows for the years then ended, 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 Company as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended, 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 Company 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 is comprised of the information provided in the Management's discussion and analysis report, excluding the financial statements and our auditor's report on these statements.

Our opinion on the financial statements does not extend to the other information and we do not express any form of assurance on this information.

Regarding our audit of the financial statements, our responsibility is to read the other information and, in doing so, to assess whether there is a significant inconsistency between this information and the financial statements, or the understanding we have acquired during the audit, or whether the other information appears to include any material misstatement, in any other way.

If, in the light of the work we have done, we conclude that there is a material misstatement in the other information, we have the obligation to report it. 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT (continued)

Those charged with governance are responsible for overseeing the Company'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 Company'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 Company'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 Company 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 we communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and, where applicable, the related safeguards.

The partner responsible for the audit engagement, at the end of which the current auditor's report is issued, is David Bélanger.

 Mallette L.L.P.¹

Mallette L.L.P.
Partnership of chartered professional accountants

Québec, Canada
April 29, 2022

¹ CPA auditor, CA, public accountancy permit N° A130437

Bold Capital Enterprises Ltd.

STATEMENTS OF NET INCOME AND COMPREHENSIVE INCOME

For the years ended December 31,

2021

2020

REVENUE	\$	-	\$	-
OPERATING EXPENSES				
Listing and maintenance expenses		29,320		19,399
Professional fees		92,269		184,299
		121,589		203,698
NET LOSS AND COMPREHENSIVE LOSS	\$	(121,589)	\$	(203,698)
Net loss per share (Note 8)				
Net loss, basic and diluted	\$	(0.016)	\$	(0.03)
Basic and diluted weighted average number of shares (Note 8)		7,374,089		7,264,500

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

Bold Capital Enterprises Ltd.

STATEMENTS OF CHANGES IN EQUITY

	Number			Amount			
	Common shares	Stock options	Total	Share capital	Contributed surplus	Deficit	Total
BALANCE, as at December 31, 2019	7,264,500	1,072,900	8,337,400	\$ 404,925	\$ 72,000	\$ (182,995)	\$ 293,930
Net loss and comprehensive loss of the year	-	-	-	-	-	(203,698)	(203,698)
	-	-	-	-	-	(203,698)	(203,698)
BALANCE, as at December 31, 2020	7,264,500	1,072,900	8,337,400	404,925	72,000	(386,693)	90,232
Share issuance	40,000,000	-	40,000,000	2,000,000	-	-	2,000,000
Share issuance costs	-	-	-	(144,943)	-	-	(144,943)
Stock options expired	-	(346,450)	(346,450)	-	-	-	-
Net loss and comprehensive loss of the year	-	-	-	-	-	(121,589)	(121,589)
	40,000,000	(346,450)	39,653,550	1,855,057	-	(121,589)	1,733,468
BALANCE, as at December 31, 2021	47,264,500	726,450	47,990,950	\$ 2,259,982	\$ 72,000	\$ (508,282)	\$ 1,823,700

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

Bold Capital Enterprises Ltd.

STATEMENTS OF FINANCIAL POSITION

As at December 31,

2021

2020

ASSETS

CURRENT ASSETS

Cash in trust	\$	2,074,841	\$	137,214
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LIABILITIES

CURRENT LIABILITIES

Accounts payable	\$	201,141	\$	46,982
Amount due to shareholders		50,000		-

		251,141		46,982
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SHAREHOLDERS' EQUITY

Share capital (Note 4)		2,259,982		404,925
Contributed surplus (Note 7)		72,000		72,000
Deficit		(508,282)		(386,693)

		1,823,700		90,232
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	\$	2,074,841	\$	137,214
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Statutes of incorporation and nature of activities (Note 1)

On behalf of the Board,

(signed) Peter Rona _____, President

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

Bold Capital Enterprises Ltd.

STATEMENTS OF CASH FLOWS

For the years ended December 31,

2021

2020

OPERATING ACTIVITIES

Net loss	\$	(121,589)	\$	(203,698)
Net change in non-cash working capital items				
Accounts payable		11,716		26,159
Amount due		50,000		-
		(59,873)		(177,539)

FINANCING ACTIVITIES

Issuance of common shares		2,000,000		-
Share issuance costs		(2,500)		-
		1,997,500		-

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

1,937,627 (177,539)

CASH IN TRUST, beginning of year

137,214 314,753

CASH IN TRUST, end of year

\$ 2,074,841 \$ 137,214

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

Share issuance costs in the amount of \$142,443 have been recognized in accounts payable as at December 31, 2021.

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

Bold Capital Enterprises Ltd.

NOTES TO FINANCIAL STATEMENTS

As at December 31, 2021 and 2020

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, Suite 3500, Montreal, 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. 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 the Policy 2.4, the Company must also receive Majority of the Minority shareholders' approval, in accordance with the Policy 2.4.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation and evaluation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

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

The financial statements were authorized for issue by the Board of Directors on April 29, 2022

Basis of measurement

The financial statements of the Company have been prepared on the going concern assumption and on the historical cost basis.

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.

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.

Bold Capital Enterprises Ltd.

NOTES TO FINANCIAL STATEMENTS

As at December 31, 2021 and 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

The Company uses 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.

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.

Bold Capital Enterprises Ltd.

NOTES TO FINANCIAL STATEMENTS

As at December 31, 2021 and 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

Classification and subsequent measurement of financial liabilities

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

The Company's accounts payable and amount due 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 transferred to share capital at the issuance of common shares or to contributed surplus when they expire.

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.

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.

Bold Capital Enterprises Ltd.

NOTES TO FINANCIAL STATEMENTS

As at December 31, 2021 and 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

New standards and amendments not yet effective

The International Accounting Standards Board (IASB) and the International Financial Reporting Interpretation Committee (IFRIC) have published new standards and amendments whose application will be mandatory for fiscal years beginning after January 1, 2022 or subsequent years. Many of these new accounting policies do not apply to the Company, so they are not discussed below.

IFRS 9 - Financial Instruments

In May 2020, the IASB published amendments to IFRS 9 - Financial Instruments, which aim at clarifying the fees and costs that a company may include in the 10% quantitative criterion when a financial liability is exchanged or modified. This criterion enables to determine, when trying to establish whether the initial financial liability should be derecognized or not, whether the new contractual terms between the borrower and the lender differ significantly from those initially concluded. These amendments will apply to financial statements beginning on or after January 1, 2022, in accordance with the specific requirements for the application of IFRS 9.

The application of these amendments will not have any significant impact on the Company's financial statements.

IAS 1 - Presentation of Financial Statements

The IASB published an amendment to IAS 1 - Presentation of Financial Statements. The amendment concerns the classification of liabilities as current or non-current and only affects the presentation of liabilities in the statement of financial position, and not the amount or timing of recognition of any asset, liability, income or expense, or the information that entities disclose about those items. The provisions of this amendment will apply retrospectively to financial statements beginning on or after January 1, 2022.

On July 15, 2020, the IASB published an amendment to IAS 1 - Presentation of Financial Statements that postpones the effective date to financial statements beginning on or after January 1, 2023. Early adoption is permitted.

The Company has not yet assessed the impact of this amendment on its financial statements.

IAS 1 - Presentation of Financial Statements and IFRS Practice Statement 2 - Making Materiality Judgements

In February 2021, the IASB published amendments to IAS 1 - Presentation of Financial Statements and to IFRS Practice Statement 2 - Making Materiality Judgements, which require entities to provide information on their materially significant accounting policies instead of principal accounting policies. These amendments will apply retrospectively to financial statements beginning on or after January 1, 2023.

The Company has not yet assessed the impact of these amendments on its financial statements.

Bold Capital Enterprises Ltd.

NOTES TO FINANCIAL STATEMENTS

As at December 31, 2021 and 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

New standards and amendments not yet effective

IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

In February 2021, the IASB published amendments to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, which aim at introducing a definition of accounting estimates and providing clarification to assist entities in distinguishing accounting policies from accounting estimates. These amendments will apply to financial statements beginning on or after January 1, 2023.

The Company has not yet assessed the impact of these amendments on its financial statements.

3. INCOME TAXES

The presented recovery of income taxes differs from the amount of the income tax expense calculated using the Canadian statutory tax rates, mainly due to the following:

	2021	2020
Canadian statutory tax rates	26.5%	26.5%
Recovery calculated using the statutory tax rates	\$ (32,221)	\$ (53,980)
Increase in income tax expense from:		
Devaluation allowance	32,221	53,980
	\$ -	\$ -

Significant components of the deferred tax assets of the Company are as follows:

Deferred tax assets		
Net losses from operations carried forward	\$ 142,249	\$ 92,737
Financing costs	46,630	25,511
Devaluation allowance	(188,879)	(118,248)
Deferred income taxes	\$ -	\$ -

Bold Capital Enterprises Ltd.

NOTES TO FINANCIAL STATEMENTS

As at December 31, 2021 and 2020

4. SHARE CAPITAL

Authorized

An unlimited number of common shares, non-cumulative dividend, participating and voting, without par value

	2021	2020
Stated and outstanding		
47,264,500 common shares (2020 - 7,264,500)	\$ 2,259,982	\$ 404,925

During the year, the Company issued 40,000,000 common shares for a cash consideration of \$2,000,000. Issuance costs of \$144,943 have been recognized against share capital.

A total of 4,800,000 common shares are subject to an escrow agreement: 25% of the escrowed 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. Stock options and 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.

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. POTENTIAL TAX BENEFITS

Non-capital losses that can be used to reduce future income taxes are of \$536,500 at the federal and the provincial levels. The Company may take advantage of the tax benefit related to these losses for the following carry-over periods:

2037 -	\$ 20,600
2038 -	\$ 27,100
2039 -	\$ 62,000
2040 -	\$ 240,000
2041 -	\$ 186,800

No deferred tax asset has been recognized with respect to these losses (Note 3).

Bold Capital Enterprises Ltd.

NOTES TO FINANCIAL STATEMENTS

As at December 31, 2021 and 2020

7. 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 years ended December 31:

	2021		2020	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Outstanding, beginning of the year	1,072,900	\$ 0.10	1,072,900	\$ 0.10
Expired	346,450	0.10	-	-
Outstanding, end of the year	726,450	\$ 0.10	1,072,900	\$ 0.10
Options exercisable, end of the year	726,450	\$ 0.10	1,072,900	\$ 0.10

The following table summarizes information about the options outstanding and exercisable as at December 31, 2021:

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	726,450	2.29 years	\$ 0.10	726,450	\$ 0.10

Bold Capital Enterprises Ltd.

NOTES TO FINANCIAL STATEMENTS

As at December 31, 2021 and 2020

8. 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 year. 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 years ended December 31, 2021 and 2020, 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 the year ended December 31, 2021 is 726,450 stock options (2020 - 1,072,900). Accordingly, the diluted net loss per share was calculated using the basic weighted average number of shares outstanding.

9. RELATED PARTY TRANSACTIONS

Related parties are those persons having authority and responsibility for planning, directing and controlling the Company's activities, including any of its directors. Key management personnel of the Company includes the Chief Executive Officer, the President, the Chief Financial Officer and any director.

During the years ended December 31, 2021 and 2020, no compensation was paid to the main executive.

10. 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.

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. As at December 31, 2021 and 2020, 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 and amount due. However, as at December 31, 2021 and 2020, it does not incur any liquidity risk due to its available cash.

Bold Capital Enterprises Ltd.

NOTES TO FINANCIAL STATEMENTS

As at December 31, 2021 and 2020

11. SUBSEQUENT 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: 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 July 31, 2022, unless extended in writing by the Company and SinuSafe.