

**MIDPOINT HOLDINGS LTD.**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020**

(Unaudited)

(Expressed in Canadian Dollars)

## **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The accompanying unaudited interim condensed consolidated financial statements of Midpoint Holdings Ltd. were prepared by management in accordance with International Financial Reporting Standards. The most significant of these standards are set out in the note 2 of these financial statements. Any applicable changes in accounting policies have also been disclosed in these unaudited interim condensed consolidated financial statements. Management acknowledges responsibility for the preparation and presentation of the unaudited interim consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances. The Board of Directors is responsible for ensuring management fulfills its financial reporting responsibilities and for reviewing and approving the unaudited interim financial statements together with other financial information. The Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the internal controls over the financial reporting process and the period end unaudited interim consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited interim consolidated financial statements together with other financial information of the Company for issuance to the shareholders. Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

## **NOTICE TO READER**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements; they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The accompanying financial statements of the Company have been prepared by and are the responsibility of the Company's management.

These financial statements are being re-filed to correct the presentation of the comparative information on the Statement of Shareholders' Equity on page 7 to include the missing prior period comparative figures. No other changes have been made to the statements.

**MIDPOINT HOLDINGS LTD.  
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SEPTEMBER 30, 2021**

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**MIDPOINT HOLDINGS LTD.**  
**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2021 AND JUNE 30, 2021**  
(Amounts in Canadian dollars)  
(Unaudited)

	September 30, 2021	June 30, 2021
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash (note 3)	\$ 2,704,132	\$ 2,984,005
Accounts receivable	27,272	27,272
Prepaid expenses	26,795	19,771
Total current assets	2,758,199	3,031,048
<b>EQUIPMENT</b>	34,188	8,586
<b>INTANGIBLES</b> (note 4)	24,126	27,572
<b>TOTAL ASSETS</b>	<b>\$ 2,816,513</b>	<b>\$ 3,067,206</b>

**LIABILITIES AND SHAREHOLDERS' EQUITY**

<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 171,228	\$ 156,083
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (note 6)	15,856,930	15,856,930
Warrants and options reserve	1,260,800	1,260,800
Contributed surplus (note 6)	1,408,873	1,408,873
Accumulated other comprehensive loss	( 484,565)	( 486,970)
Accumulated deficit	(15,396,753)	(15,128,510)
Total shareholders' equity	2,645,285	2,911,123
	<b>\$ 2,816,513</b>	<b>\$ 3,067,206</b>

Nature of operations (note 1)

The accompanying notes are an integral part of the consolidated financial statements

On behalf of the Board:

**Signed: "Corbin Comishin"**  
Director

**Signed: "David Wong"**  
Director

**MIDPOINT HOLDINGS LTD.**  
**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2021 AND 2019**  
(Amounts in Canadian dollars)  
(Unaudited)

For the three months ended  
September 30, September 30,  
2021 2020

	September 30, 2021	September 30, 2020
<b>REVENUE</b>	\$ 107,591	\$ 81,576
<b>TRANSACTION COSTS</b>	<b>47,575</b>	32,136
<b>GROSS MARGIN</b>	<b>60,016</b>	49,440
Grant income	28,282	49,509
Foreign exchange loss	( 3,377)	( 5,756)
Interest income	711	-
Total other income/(loss)	<b>25,616</b>	43,753
	<b>85,632</b>	93,193
<b>EXPENSES</b>		
Amortization and depreciation (note 4)	4,474	1,269
Filing fees and transfer fees	1,216	4,366
General and administrative expenses	24,819	23,864
Marketing	38,030	12,566
Professional & consulting fees	130,932	91,529
Rent	5,227	8,415
Software development and website costs	46,492	35,723
Severance wages	-	-
VAT tax recovery	-	399
Wages	102,685	55,516
Total expenses	<b>353,875</b>	233,647
<b>NET LOSS FOR THE PERIOD</b>	<b>( 268,243)</b>	( 140,454)
<b>FOREIGN CURRENCY TRANSLATION</b>	<b>2,405</b>	9,148
<b>NET LOSS AND COMPREHENSIVE LOSS</b>	<b>\$( 265,838)</b>	\$( 131,306)
Basic and diluted weighted average shares outstanding	<b>53,501,660</b>	41,311,443
Basic and diluted net loss per share	<b>\$ (0.005)</b>	\$ (0.003)

The accompanying notes are an integral part of the consolidated financial statements

**MIDPOINT HOLDINGS LTD.**  
**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2021 AND 2018**  
(Amounts in Canadian dollars)  
(Unaudited)

	September 30, 2021	September 30, 2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss for the period	\$( 268,243)	\$( 140,454)
Item not affecting cash		
Amortization	4,474	1,269
	( 263,769)	( 139,185)
Net changes in non-cash working capital items relating to operating activities		
Accounts receivable and prepaid expenses	( 7,024)	49,544
Accounts payable and accrued liabilities	15,145	111,754
Net cash (used in) operating activities	( 255,648)	22,113
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net proceeds from from issuance of shares	-	218,417
Repayment of settlement provision	-	( 25,000)
Net cash provided by financing activities	-	193,417
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of intangible and tangible assets	( 26,617)	-
Cash Used For Investing Activities	( 26,617)	-
<b>NET (DECREASE) INCREASE IN CASH</b>	<b>( 282,265)</b>	<b>215,530</b>
<b>CASH, BEGINNING OF PERIOD</b>	<b>2,984,005</b>	<b>710,871</b>
<b>EFFECT OF CHANGES IN FOREIGN EXCHANGE RATES</b>	<b>2,392</b>	<b>8,931</b>
<b>CASH, END OF PERIOD</b>	<b>\$ 2,704,132</b>	<b>\$ 935,332</b>

The accompanying notes are an integral part of the consolidated financial statements

**MIDPOINT HOLDINGS LTD.**  
**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (DEFICIENCY)**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2021**  
(Amounts in Canadian dollars)  
(Unaudited)

	Number of Shares issued	Amount	Contributed Surplus	Warrants Options Reserves	Accumulated Deficit	Accumulative Other Comprehensive Income	Total Shareholder's Deficit
<b>Balance, June 30, 2020</b>	39,001,660	\$ 13,553,017	\$ 1,408,873	\$ 412,900	\$( 14,341,966)	\$( 502,163)	\$ 530,611
Private placement	2,500,000	168,700	-	81,300	-	-	250,000
Share issuance costs	-	(31,583)	-	-	-	-	( 31,583)
Net loss and comprehensive loss for the period	-	-	-	-	( 268,243)	2,405	( 265,838)
<b>Balance as at September 30, 2020</b>	41,501,660	\$ 13,690,134	\$ 1,408,873	\$ 494,200	\$( 14,482,420)	\$( 499,758)	\$ 483,190
<b>Balance, June 30, 2021</b>	53,501,660	\$ 15,856,930	\$ 1,408,873	\$ 1,260,800	\$(15,128,510)	\$( 486,970)	\$ 2,911,123
Net loss and comprehensive loss for the period	-	-	-	-	( 268,243)	2,405	( 265,838)
<b>Balance as at September 30, 2021</b>	53,501,660	\$ 15,856,930	\$ 1,408,873	\$ 1,260,800	\$(15,396,753)	\$( 484,565)	\$ 2,645,285

The accompanying notes are an integral part of the consolidated financial statements

**MIDPOINT HOLDINGS LTD.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
AS AT SEPTEMBER 30, 2021**

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**1. NATURE OF OPERATIONS**

Midpoint Holdings Ltd. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on April 15, 2010 and was classified as a Capital Pool Company as defined in the TSX Venture Exchange ("TSXV") Policy 2.4. The principal business of the Company was to negotiate an acquisition or participation in a business subject to acceptance by regulatory authorities and, in certain cases, shareholder approval (the "Qualifying Transaction") which it completed on April 11, 2012.

The Company now operates through its wholly owned subsidiary in the United Kingdom, Midpoint & Transfer Ltd. ("MPNT"). Its business is a web based enterprise that matches buyers and sellers of foreign currency and transfers the funds to their desired location through an intermediary third-party payment provider. The Company receives fees from all parties for matching the currency exchanges and transferring the funds.

The Company's head office is 505 Kootenay Street, Nelson British Columbia, V1L 1K9.

**2. SIGNIFICANT ACCOUNTING POLICIES**

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC. They are presented in Canadian dollars.

The policies applied in these interim condensed consolidated financial statements are based on IFRS issued and outstanding as of November 29, 2021, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these interim condensed consolidated financial statements as compared with the most recent annual financial statements as at and for the period ended June 30, 2021. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for period ending June 30, 2018 could result in restatement of these condensed interim financial statements.

**New standards not yet adopted and interpretations issued but not yet effective.**

There are no relevant changes in accounting standards applicable to future periods other than as disclosed in the most recent annual consolidated statements as at and for the period ended June 30, 2021.

**MIDPOINT HOLDINGS LTD.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
AS AT SEPTEMBER 30, 2021**

**3. CASH**

At September 30, 2021 and June 30, 2021 the Company had cash of \$2,704,132 and \$2,984,005 respectively. The Company maintains cash in various banks including a bank in Canada and several in the United Kingdom.

**4. INTANGIBLES**

<b>Patents &amp; software</b>	<b>September 30, 2021</b>	<b>June 30, 2021</b>
<b>Cost</b>		
Balance, at beginning of period	\$ 150,183	\$ 95,020
Additions	26,617	51,885
Effect of changes in foreign exchange rates	(13)	3,278
Balance, at end of period	<b>176,813</b>	150,183
<b>Accumulated Depreciation</b>		
Balance, at beginning of period	114,025	88,285
Depreciation for period	4,474	25,740
Balance, at end of period	<b>118,499</b>	114,025
Net Book Value	<b>\$ 58,314</b>	\$ 36,158

**5. SHARE CAPITAL AND CONTRIBUTED SURPLUS**

**Authorized**

As at September 30, 2021, the Company had authorized unlimited common shares.

**Issued and outstanding**

A summary of share transactions and shares issued and outstanding is as follows:

	<b>Number of Shares</b>	<b>Share Capital</b>	<b>Contributed Surplus</b>	<b>Total</b>
Balance, September 30, 2021	53,501,660	\$ 15,856,930	\$ 1,408,873	\$ 17,265,803

**7. COMMITMENTS AND CONTINGENT LIABILITIES**

The Company's lease arrangement for the office space in London, United Kingdom ends in September 30, 2022 and the annual lease commitment is approximately \$56,000.