

**RELEVIVUM TECHNOLOGIES INC.**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

March 31, 2018

# **RELEVIVUM TECHNOLOGIES INC.**

**MARCH 31, 2018**

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# **RELEVIVUM TECHNOLOGIES INC.**

## **NOTICE TO READER**

Management of the Company has prepared these unaudited condensed consolidated interim financial statements and their accompanying notes and is responsible for the integrity and fairness of the financial information presented therein. These have been reviewed and approved by the Company's Audit Committee and the Board of Directors. The Company's auditors have not reviewed or audited these consolidated interim unaudited financial statements.

# RELEVIVUM TECHNOLOGIES INC.

As at March 31, 2018

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

	March 31, 2018 \$	June 30, 2017 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	1,521,654	904,603
Short-term investment (Note 4)	5,000	5,000
Receivables (Note 5)	253,850	119,074
Inventory (Note 6)	468,687	-
Prepaid expenses	83,508	9,775
<b>Total current assets</b>	<b>2,332,699</b>	<b>1,038,452</b>
<b>Non-current assets</b>		
Property and equipment (Note 8)	18,005	-
Intangible asset (Notes 9 and 15)	5,807,680	-
Deposit on acquisition (Note 7)	-	6,076,700
<b>Total assets</b>	<b>8,158,384</b>	<b>7,115,152</b>
<b>Liabilities and shareholders' equity</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	500,923	611,460
Contingent consideration payable (Note 7)	498,998	648,850
Loan payable (Note 10)	166,324	-
Current portion of long-term debt (Note 11)	-	25,380
<b>Total current liabilities</b>	<b>1,166,245</b>	<b>1,285,690</b>
<b>Non-current liabilities</b>		
Long-term debt (Note 11)	3,054,434	3,504,874
<b>Total liabilities</b>	<b>4,220,679</b>	<b>4,790,564</b>
<b>Shareholders' equity</b>		
Share capital (Note 12)	8,392,355	5,119,909
Share purchase warrants (Note 13)	755,682	1,129,168
Equity component of convertible debt	631,161	631,161
Contributed surplus	739,036	236,894
Deficit	(6,580,529)	(4,792,544)
<b>Total shareholders' equity</b>	<b>3,937,705</b>	<b>2,324,588</b>
<b>Total liabilities and shareholders' equity</b>	<b>8,158,384</b>	<b>7,115,152</b>

Going concern (Note 2)

Subsequent event (Note 21)

### On behalf of the board:

"signed", Aurelio Useche \_\_\_\_\_

Aurelio Useche, Director

"signed", Andre Godin \_\_\_\_\_

Andre Godin, Director

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

## RELEVIVUM TECHNOLOGIES INC.

For the period ended March 31, 2018

### CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Number of shares	Share capital \$	Warrants \$	Equity component of convertible debt \$	Contributed surplus \$	Deficit \$	Total \$
<b>Balance - June 30, 2017</b>	<b>65,971,466</b>	<b>5,119,909</b>	<b>1,129,168</b>	<b>631,161</b>	<b>236,894</b>	<b>(4,792,544)</b>	<b>2,324,588</b>
Net loss and comprehensive loss for the period	-	-	-	-	-	(1,787,985)	(1,787,985)
Issue of shares on conversion of convertible debt	7,350,001	749,538	-	-	-	-	749,538
Settlement of Subscriptions receivable	-	60,000	-	-	-	-	60,000
Issue of shares in exchange of services	66,235	13,750	-	-	-	-	13,750
Share-based payments	-	-	-	-	554,110	-	554,110
Exercised warrants and options	13,691,361	2,449,158	(373,486)	-	(51,968)	-	2,023,704
<b>Balance - March 31, 2018</b>	<b>87,079,063</b>	<b>8,392,355</b>	<b>755,682</b>	<b>631,161</b>	<b>739,036</b>	<b>(6,580,529)</b>	<b>3,937,705</b>

	Number of shares	Share capital \$	Warrants \$	Equity component of convertible debt \$	Contributed surplus \$	Deficit \$	Total \$
<b>Balance - June 30, 2016</b>	<b>29,525,966</b>	<b>2,247,053</b>	<b>307,078</b>	<b>-</b>	<b>210,326</b>	<b>(2,207,806)</b>	<b>556,651</b>
Net loss and comprehensive loss for the period	-	-	-	-	-	(566,070)	(566,070)
Issue of shares from private placement	5,058,000	294,889	210,911	-	-	-	505,800
Issue of Agent options	-	(986)	986	-	-	-	-
Share issue costs	-	(2,000)	-	-	-	-	(2,000)
Share-based payments	-	-	-	-	14,638	-	14,638
Exercised warrants and options	300,000	53,300	(4,340)	-	(8,960)	-	40,000
<b>Balance - March 31, 2017</b>	<b>34,883,966</b>	<b>2,592,256</b>	<b>514,635</b>	<b>-</b>	<b>216,004</b>	<b>(2,773,876)</b>	<b>549,019</b>

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

## RELEVIVUM TECHNOLOGIES INC.

For the period ended March 31, 2018

### CONDENSED CONSOLIDATED INTERIM STATEMENT OF OPERATIONS AND COMPREHENSIVE LOSS

	Three months ended		Nine months ended	
	March 31		March 31	
	2018	2017	2018	2017
	\$	\$	\$	\$
<b>Sales</b>	<b>1,036,176</b>	-	<b>3,157,644</b>	-
<b>Cost of Sales</b>	<b>460,681</b>	-	<b>1,351,129</b>	-
<b>Gross Profit</b>	<b>575,495</b>	-	<b>1,806,515</b>	-
<b>Expenses</b>				
Administration fees	98,849	36,000	287,248	112,700
Consulting fees	107,732	49,500	308,067	165,438
General and administrative expenses	186,489	79,217	430,580	157,419
Selling and marketing	584,796	-	1,252,668	-
Professional fees	85,921	18,246	166,818	42,400
Amortization of capital assets	2,119	-	3,178	-
Share-based payments (Note 14)	-	3,698	554,110	14,638
Loss (gain) on foreign exchange	56,577	(331)	(20,184)	1,179
Amortization of patent	-	24,107	-	72,321
Interest on long-term debt	132,691	-	348,422	-
Accreted interest	75,965	-	263,618	-
	<b>1,331,139</b>	210,437	<b>3,594,524</b>	566,095
Interest income	-	-	25	25
<b>Net loss and comprehensive loss</b>	<b>(755,644)</b>	(210,437)	<b>(1,787,985)</b>	(566,070)
<b>LOSS PER SHARE:</b>				
Basic and fully diluted	<b>(0.0087)</b>	(0.0061)	<b>(0.0241)</b>	(0.0168)
<b>Weighted average number of common shares outstanding for the period</b>	<b>86,363,372</b>	34,743,966	<b>74,090,299</b>	33,706,961

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

# RELEVIVUM TECHNOLOGIES INC.

For the period ended March 31, 2018

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

	Three months ended		Nine months ended	
	March 31		March 31	
	2018	2017	2018	2017
	\$	\$	\$	\$
<b>Cash flows for operating activities</b>				
Net loss and comprehensive loss	(755,644)	(210,437)	(1,787,985)	(566,070)
Items not affecting cash:				
Share-based payments	-	3,698	554,110	14,638
Interest income recognized in net loss	-	-	(25)	(25)
Non-cash consulting fees	13,750	-	13,750	-
Unrealized (gain) loss on foreign exchange	28,359	-	(26,075)	-
Amortization of patent	-	24,107	-	72,321
Accreted interest	75,965	-	263,618	-
Amortization of property and equipment	2,119	-	3,178	-
Inventory purchased in deposit on acquisition	-	-	269,020	-
	(635,451)	(182,632)	(710,384)	(479,136)
Net changes in non-cash working capital items (Note 16)	(7,622)	54,617	(787,733)	29,029
<b>Net cash used in operating activities</b>	<b>(643,073)</b>	<b>(128,015)</b>	<b>(1,498,117)</b>	<b>(450,107)</b>
<b>Cash flows for investing activities</b>				
Interest Income	-	-	25	25
Acquisition of Property and equipment	-	-	(21,183)	-
<b>Net cash used in investing activities</b>	<b>-</b>	<b>-</b>	<b>(21,158)</b>	<b>25</b>
<b>Cash flows for financing activities</b>				
Settlement of subscriptions receivable	-	-	60,000	-
Issue of shares on exercise of options and warrants	688,404	40,000	2,023,704	40,000
Issuance of shares, net of share issue costs	-	-	-	292,889
Issuance of share purchase warrants	-	-	-	210,911
Repayment of long-term debt	-	(6,653)	(25,380)	(23,775)
Repayment of contingent consideration payable	(145,714)	-	(145,714)	-
Issue of loan payable	-	-	375,780	-
Repayment of loan payable	(94,362)	-	(152,039)	-
<b>Net cash flows provided by financing activities</b>	<b>448,328</b>	<b>33,347</b>	<b>2,136,351</b>	<b>520,025</b>
<b>Net increase in cash and cash equivalents</b>	<b>(194,745)</b>	<b>(94,668)</b>	<b>617,051</b>	<b>69,943</b>
<b>Cash and cash equivalents - beginning of period</b>	<b>1,716,399</b>	<b>211,732</b>	<b>904,603</b>	<b>47,121</b>
<b>Cash and cash equivalents - end of period</b>	<b>1,521,654</b>	<b>117,064</b>	<b>1,521,654</b>	<b>117,064</b>

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

# **RELEVIVUM TECHNOLOGIES INC.**

As at March 31, 2018

## **NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

### **1. Nature of business**

Relevivum Technologies Inc., (the "Company") was incorporated under the Canada Business Corporations Act on July 19, 2012, is a publicly traded company currently trading under ticker symbol "RLV" on the TSX Venture Exchange and "6BX" on the Open Market Segment of the Frankfurt Stock Exchange.

The address of the Company's registered head office is 1000 Sherbrooke St. West, Suite 2700, Montreal, Quebec, Canada.

The principal business of the Company is the identification, evaluation and acquisition of assets or businesses in the Health and Wellness markets. The Company is focused in two major areas, namely E-Commerce and Wellness Services.

### **2. Going concern uncertainty**

The accompanying consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") on the going concern basis, which presumes the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of business. The Company has a history of losses, has consumed significant amount of cash resources in the past and has continued to do so in the period ended March 31, 2018. During the period ended March 31, 2018, the Company incurred a net loss of \$1,787,984 and had negative cash flow from operations of \$1,498,117.

On June 7, 2017, the Company announced an asset purchase agreement to acquire certain assets of Bioganix Ltd, a successful entrepreneurial brand of Nutraceutical products. The Company successfully raised financing through the issuance of convertible debentures and common shares in a gross amount of \$4,401,500 which was mostly used to complete the acquisition.

During the nine month (nine-month) period ended March 31, 2018, the Company also successfully raised \$2,023,704 through the issue of shares upon the exercise of options and warrants by the holders.

As at March 31, 2018, the Company had \$1,521,654 in cash. However, the Company expects that cash disbursements over the next 12 months will exceed cash flows from operations of BioGanix and additional funds will be required to finance the operations of the Company. As such the use of the going concern assumption may not be appropriate. Therefore, as at March 31, 2018, there is a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern without obtaining additional financial resources.

To date, the Company has financed its cash requirements primarily by issuing shares, warrants and debt instruments. The Company's ability to continue as a going concern is subject to its ability to raise additional financing and to generate cash flows from its operations.

These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary if the Company is unable to continue as a going concern. Such adjustments could be material.

### **3. Basis of preparation**

The financial statements were authorized for issuance on May 15, 2018 by the board of directors of the Company.

# RELEVIVUM TECHNOLOGIES INC.

As at March 31, 2018

## NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 3. Basis of preparation - Cont'd

The functional currency of the Company is the Canadian Dollar, which is the presentation currency of the consolidated financial statements.

#### 3.1 Statement of compliance

These unaudited condensed interim financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, IAS 34 "Interim Financial Reporting" as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain disclosures required in annual financial statements have been condensed or omitted. These condensed interim financial statements are intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that these condensed interim financial statements be read in conjunction with the most recent audited annual financial statements of the Company for the year ended June 30, 2017.

#### 3.2 Basis of consolidation

The unaudited condensed interim financial statements include the accounts of the Company and its wholly owned subsidiaries, Ovid Acquisition Corp. and BGX E-Health LLC. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The subsidiaries are included in the consolidated financial statements from the date the Company gains control until it ceases to control. Intercompany balances and transactions, and unrealized gains and losses arising from intercompany transactions are eliminated in preparing the consolidated financial statements.

#### 3.3 Basis of measurement

The unaudited condensed interim financial statements have been prepared under the historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss which are measured at fair value. In addition, the financial statements have been prepared using the accrual basis of accounting.

#### 3.4 Accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions about the carrying amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods presented. Actual results could differ from those estimates and such differences could be significant.

The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments however, may change due to market changes or circumstances arising beyond the control of the Company. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting estimates and judgements are those that have a significant risk of causing material adjustment and are often applied to matters or outcomes that are inherently uncertain and subject to change. Key areas of estimation, where management has made difficult, complex or subjective

Cont'd...

# RELEVIVUM TECHNOLOGIES INC.

As at March 31, 2018

## NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

judgements, often as a result of matters that are inherently uncertain, include the valuation of share-based (share-based) payments, the valuation of the liability and equity components of the convertible debt, and the acquisition of assets of BioGanix LTD.

### **Significant judgment**

Date of acquisition of a business combination

The acquisition date is the date on which the Company obtains control over the business acquired. However, whether control has been obtained by a certain date requires judgment. In determining the date on which the Company obtains control over the acquired assets, consideration is given to, amongst others, the date at which the Company legally transfers the consideration, the power that the Company can exercise over the assets acquired, the exposure, or rights, to the variable returns and the ability to use its power over the significant activities acquired to affect the amount of the Company's returns. Following the analysis of all these facts and circumstances, management has determined that it commenced to control the significant activities of the BioGanix business on July 4, 2017.

### **Significant estimates**

Share-based payments

The Company measures the cost of share-based payments by reference to the fair value of the equity instrument at the date on which they are granted.

Estimating fair value for share-based payments requires management to determine the most appropriate valuation model for a grant, which is dependent on the terms and conditions of each grant. In valuing share-based payments, the Company uses the Black-Scholes option pricing model.

Several assumptions are used in the underlying calculation of fair values of the Company's stock options using the Black-Scholes option pricing model, including the expected life of the option and stock price volatility. Details of assumptions used are included in Note 14, Share-based payments.

Valuation of convertible instrument

The Company determines the value of each component of its convertible instrument using the residual value method. Under the residual value method, the Company first determines the fair value of the liability component, and the residual amount is allocated to the equity component.

Estimating the fair value of the liability component requires the use of assumptions, the most significant being the discount rate. The Company needs to determine the discount rate that reflects the interest rate that the Company would get for entering into a liability with similar terms but without any conversion feature. Details of the assumptions used are included in Note 9, Long-term debt.

In preparing these unaudited condensed interim financial statement, the significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Company's annual financial statements as at June 30, 2017.

### **3.5 Revenue recognition**

Revenue, which consists of sales of goods, is recognized when it is probable that the economic benefits will flow to the Company and the amount of the revenue can be measured reliably. Sales are recognized upon shipment of the goods and are measured at the fair value of the consideration received or receivable, net of returns and allowances and trade discounts.

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# RELEVIVUM TECHNOLOGIES INC.

As at March 31, 2018

## NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 4. Short-term investment

The short-term investment is a cashable investment certificate with the Company's bank bearing interest at the rate of 0.5% maturing within one year and whose market value approximates cost.

### 5. Receivables

Sundry receivables are comprised of the following:

	<b>March 31 2018</b>	June 30, 2017
	<b>\$</b>	<b>\$</b>
Trade and other receivables	194,674	6,000
Sales taxes refundable	59,176	113,074
	<b>253,850</b>	<b>119,074</b>

### 6. Inventory

Inventory represents finished goods and is determined on a first-in first-out basis and valued at the lower of cost and net realizable value.

### 7. Business combinations

#### Deposit on acquisition

On June 7, 2017, the Company executed an agreement and issued a deposit to acquire certain assets of BioGanix LTD, a successful entrepreneurial brand of Nutraceutical products. The date of acquisition was determined to be July 4, 2017 since the Company did not control BioGanix LTD prior to that date. See Note 15.

According to the terms of the asset purchase agreement ("APA"), the aggregate value of the transaction is \$6,076,700 (US\$4.45 million) and the consideration transferred included (i) \$2,539,100 (US\$1.9 million) in cash, (ii) the issuance of 6,750,000 common shares of the Company at the price of \$0.13 per share which represents the fair value of the shares issued, (iii) \$648,850 (US\$500,000) as a performance based contingent consideration payable in cash on December 31, 2017 and (iv) \$2,011,750 (US\$1.55 million) in the form of a two-year convertible note bearing interest at the rate of 8% payable quarterly. The convertible note allows the holder to convert the principal amount, after an initial period of 12 months, into common shares of the Company at an exercise price of \$0.1396.

The contingent consideration is based on the following average sales levels during the six-month period following the acquisition:

- (i) Average sales per month of a minimum of US\$300,000 - the payment of US\$500,000.
- (ii) Average sales per month of between US\$200,000 - US\$300,000 - the payment of a prorated
- (iii) Average sales per month of less than US\$200,000 - NIL

Cont'd...

## RELEVIVUM TECHNOLOGIES INC.

As at March 31, 2018

### NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

#### 7. Business combinations - Cont'd

The fair value of the contingent consideration is estimated to be US\$500,000. Management believes it is highly probable that the maximum target will be achieved due to the quality of the BioGanix products.

#### 8. Property and equipment

	Cost \$	Accumulated Depreciation \$	Net Carrying Amount \$	Net June 30 \$
Furniture and fixtures	21,183	3,178	18,005	-

#### 9. Intangible assets

On July 4, 2017, the Company acquired Trademarks and other intangible assets as well as goodwill as described in Note 15 for a total of \$6,076,700.

Other intangible assets consist of the following:

	\$
<b>Patent - at cost:</b>	
As at July 1, 2015	-
Acquisition in Qualifying Transaction	1,236,041
As at June 30, 2016 and 2017	1,236,041
<b>Amortisation and impairment:</b>	
As at July 1, 2016	416,398
Amortisation	72,321
As at March 31, 2017	488,719
Impairment	747,322
As at June 30, 2017	1,236,041
Net book value as at March 31, 2017	747,322
<b>Net book value as at Marc 31, 2018</b>	<b>-</b>

As a result of the decision by the Company to prioritize the activities of BioGanix following the acquisition of the operating assets described in Note 7, it was determined that the patent would no longer be developed or used to generate cash flows in the foreseeable future. As such, the Company recorded an impairment of \$747,322 in the last quarter of 2017.

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# RELEVIVUM TECHNOLOGIES INC.

As at March 31, 2018

## NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 10. Loan payable

The loan is the balance of a US\$300,000 product development and marketing facility bearing interest at the rate of 10.9% per annum, repayable in 12 monthly payments of US\$26,500, including interest. The loan is repaid automatically from ongoing sales and cash flows from the Company's seller account and is secured by the inventory in Amazon fulfillment centers and the Company's seller account administered by Amazon Services LLC.

### 11. Long-term debt

	March 31, 2018 \$	June 30, 2017 \$
US\$19,557 (2016 - US\$38,542) non-interest bearing obligation in respect of Patent rights, repayable in monthly installments of \$2,500 US dollars.	-	25,380
Convertible notes payable bearing interest at the twelve month \$US dollar Libor rate plus 8% per annum, payable monthly, in advance, maturing June 7, 2019, secured by a general assignment of all of the assets of the Company. The note holders have a right to convert 85% of the original outstanding capital of \$1,747,000 at a strike price of \$0.15 per share. The Company may prepay any portion of the principal amount together with accrued interest thereon at any time after December 7, 2017. <sup>(1)</sup>	1,497,898	2,088,777
Unsecured balance of purchase price payable on acquisition of assets of US\$1,550,000 described in Note 7, bearing interest at the rate of 8% per annum, payable quarterly, and maturing on June 7, 2019. The balance of sale is convertible at the option of the holder, starting from June 7, 2018 into common shares of the Company at a strike price of \$0.1396 per share. The balance of sale can be repaid at any time prior to maturity. <sup>(2)</sup>	1,672,951	1,532,512
Total obligations	3,170,849	3,530,254
Less debt issue costs	(116,415)	(116,415)
	3,054,434	3,530,254
Less due within one year	-	(25,380)
	3,054,434	3,504,874
Principal payments are due in the following fiscal years:		\$
2018		-
2019		3,026,570
		3,026,570

(1) On initial recognition, the convertible notes of \$2,250,000 were broken down into the following financial

Cont'd...

# RELEVIVUM TECHNOLOGIES INC.

As at March 31, 2018

## NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 12. Capital stock - Cont'd

components: a financial liability of \$2,088,777 and an equity instrument of \$161,223. In December 2017, \$900,000 of the original convertibles were converted into 6,000,001 shares and 3,000,000 warrants entitling the holder to acquire 2,999,999 shares at a strike price of \$0.15. Subsequently, 1,500,000 of these warrants were exercised on a cash free-basis resulting in the issue of an additional 1,350,000 shares. The remaining Note payable of \$1,747,000 represents convertible notes of \$1,350,000 and is recorded as financial liability of \$1,672,951.

- (2) On initial recognition, the balance of purchase price payable of \$2,002,450 was broken down into the following financial components: a financial liability of \$1,532,512 and an equity component of \$469,938.

### 12. Share capital

Authorized -

An unlimited number of common shares and an unlimited number of preferred shares without nominal or par values

Issued -

	March 31, 2018		June 30, 2017	
	#	\$	#	\$
Common shares	87,079,063	8,392,355	65,971,466	5,179,908
Subscriptions receivable		-		(60,000)
		8,392,355		5,119,908

#### Capital stock transactions are summarized as follows:

On August 19, 2016, the Company has completed its closing of a private placement and has issued an aggregate amount of 5,058,000 units of the Company at a price of \$0.10 per unit, for gross proceeds of \$505,800 to the Company. Each unit consists of one common share of the Company and one share purchase warrant entitling the holder thereof to purchase one common share at a price of \$0.15 until August 19, 2019. The fair value of the warrants was determined using the Black Scholes option pricing model with the following assumptions:

Risk free interest rate	.57%
Expected volatility	91.8%
Dividend yield	NIL
Expected life	3 years
Grant date fair value	\$0.05

The Company applied the relative fair value method to allocate the value between the common share and the warrant, which resulted in a value of \$0.07 per common share and \$0.03 per warrant. The proceeds attributable to the common shares and the warrants, after considering the share issue costs of \$2,000, are respectively \$354,060 and \$151,740.

As consideration for its services in connection with the transactions, the agents received 20,000 warrants entitling the holder to purchase one common share at a price of \$0.10 until August 19, 2017. The estimated fair value of the warrants amounted to \$800 and was calculated using the Black Scholes option pricing model with

Cont'd...

# RELEVIVUM TECHNOLOGIES INC.

As at March 31, 2018

## NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 12. Capital stock - Cont'd

the following assumptions:

Risk free interest rate	.57%
Expected volatility	91.8%
Dividend yield	NIL
Expected life	1 year
Grant date fair value	\$0.04

In June 2017, the Company has completed the closing of a private placement and issued an aggregate amount of 22,115,000 units of the Company at a price of \$0.10 per unit, for gross proceeds of \$2,211,500 to the Company. Each unit consists of one common share of the Company and one share purchase warrant entitling the holder thereof to purchase one common share at a price of \$0.15 for a period of two years from their issue date. The fair value of the warrants was determined using the Black Scholes option pricing model with the following assumptions:

Risk free interest rate	0.69%
Expected volatility	91.8%
Dividend yield	NIL
Expected life	2 years
Grant date fair value	\$0.06

As at June 30, 2017, the proceeds for 600,000 units of the private placement subscribed for was outstanding and as indicated in Note 21, was paid for subsequently.

The Company applied the relative fair value method to allocate the value between the common share and the warrant, which resulted in a value of \$0.07 per common share and \$0.03 per warrant. The proceeds attributable to the common shares and the warrants, after considering the share issue costs of \$188,639, are respectively \$1,317,410 and \$645,450.

As consideration for its services in connection with the transactions, the lead agent received 206,750 common shares for a value of \$31,000. In addition, a total of 727,750 warrants were also issued to the agents entitling them to purchase one common share at a price of \$0.15 for a period of two years from the issue date. The estimated fair value of these warrants of \$21,833 was calculated using the Black Scholes option pricing model with the assumptions indicated above.

As described in Note 7, on June 12, 2017, the Company issued 6,750,000 common shares as part of the consideration paid on the acquisition of the assets of BioGanix. In addition, the Company issued a further 1,490,750 common shares as a finder's fee to a consultant of the Company at the quoted price of \$0.15 per share.

During the nine month period ended March 31, 2018, the Company issued a total of 21,107,597 shares pursuant to the following:

13,091,361 shares were issued on the exercise of warrants in exchange for \$1,963,704.

600,000 shares were issued on the exercise of incentive options and broker warrants in exchange for \$60,000.

On December 12, 2017, the holders of the Convertible Notes payable described in Note 11 converted \$900,000 of the notes payable into 6,000,001 shares and 2,999,999 warrants. A further 1,350,000 shares were

Cont'd...

## RELEVIVUM TECHNOLOGIES INC.

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### NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

#### 12. Capital stock - Cont'd

issued on the cashless exercise of warrants of 1,500,000 of those warrants.

As of March 31, 2018, 2,359,125 of the issued and outstanding shares are subject to escrow conditions.

#### 13. Share purchase warrants

Share purchase warrants outstanding and exercisable as at March 31, 2018 are summarized as follows:

	Three months ended March 31, 2018		Nine months ended March 31, 2018	
	Number of Warrants	Weighted Average Exercise Price \$	Number of Warrants	Weighted Average Exercise Price \$
Balance - beginning of period	31,911,715	0.1480	38,933,716	0.1483
Issued on conversion of debt	-	0.1500	2,999,999	0.1500
Exercised for cash	(4,589,361)	0.1500	(13,091,361)	0.1500
Exercised for cash	-	0.1000	(20,000)	0.1000
Cashless exercised during the period	-	0.1500	(1,500,000)	0.1500
Expired	-	-	-	0.1000
Balance - end of period	27,322,354	0.1476	27,322,354	0.1476
Exercisable	27,322,354	0.1476	27,322,354	0.1476

Each warrant entitles the holder to purchase one common share of the Company.

The warrants are summarized as follows:

Number of warrants	Exercise price \$	Expiry Date
6,383,355	0.1500	August 2018
1,722,500	0.1125	August 2019
13,803,500	0.1500	June 2019
3,913,000	0.1500	August 2019
1,499,999	0.1500	December 2019

#### 14. Share based payments

On November 7, 2012, the Company established an incentive stock option plan (the "Stock Option Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Company, non-transferable options to purchase common shares. On December 22, 2017, the Company amended the Stock Option Plan to increase the maximum number of common shares issuable from 3,838,847 to 6,983,684. These options vest over a period determined by the Board of Directors when granted and expire after a period of up to ten years, provided that the number of

Cont'd...

# RELEVIVUM TECHNOLOGIES INC.

As at March 31, 2018

## NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 14. Share based payments - Cont'd

common shares reserved for issuance under the Stock Option Plan does not exceed ten percent of the outstanding common shares issued. The Board of Directors determines the exercise price per common share and the number of common shares that may be allotted to each director, officer, employee and consultant of the Company and all other terms and conditions of the options granted under the Stock Option Plan.

The Company has accounted for options granted using the fair value method. The fair value of the options granted to directors and officers was estimated using the Black-Scholes option pricing model based on the following weighted average assumptions:

	<b>Nine months ended March 31, 2018</b>
Risk free interest rate	1.57%
Expected volatility	106.4%
Dividend yield	NIL
Expected life	10 years
Grant date fair value	.2194

The fair value of the options granted to consultants of the Company was estimated using the Black-Scholes option pricing model based on the following weighted average assumptions:

	<b>Nine months ended March 31, 2018</b>
Risk free interest rate	1.57%
Expected volatility	106.4%
Dividend yield	NIL
Expected life	10 years
Grant date fair value	.2194

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect fair values, and therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company's stock options.

The expense for share-based payments are summarized as follows:

	<b>Three months ended March 31, 2018</b>	<b>Nine months ended March 31, 2018</b>
Options granted to directors and officers	-	438,899
Options granted to consultants	-	115,211
	-	554,110

Cont'd...

# RELEVIVUM TECHNOLOGIES INC.

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## NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 14. Share based payments - Cont'd

A summary of changes in the Company's common share purchase options is presented below:

	Three months ended March 31, 2018		Nine months ended March 31, 2018	
	Number of Options	Weighted Average Exercise Price \$	Number of Options	Weighted Average Exercise Price \$
Balance - beginning of period	4,432,800	0.1687	2,877,800	0.1337
Exercised during the period	-	-	(580,000)	0.1000
Granted during the period	-	-	2,525,000	0.1900
Expired during the period	-	-	(390,000)	0.1500
Balance - end of period	4,432,800	0.1687	4,432,800	0.1687
Balance exercisable - end of period	4,432,800	0.1687	4,432,800	0.1687

Common share purchase options outstanding, exercisable, granted to directors, officers and consultants of the Company as at March 31, 2018 are summarized as follows:

Number of Options Outstanding	Number of Options Exercisable	Exercise Price	Range of Expiry Date	Weighted Average Remaining Contractual Life
457,800	457,800	0.10	December 21, 2022	57 months
1,550,000	1,500,000	0.15	September 1 - October 29, 2025	90 months
2,525,000	2,525,000	0.19	August 22 2027	117 months

### 15. BioGanix LTD asset acquisition

As described in Note 7, on July 4, 2017, the Company completed its acquisition of certain assets of BioGanix LTD in exchange for cash consideration in the amount of \$1,900,000, the issuance of 6,750,000 common shares of the Company at the price of Cdn \$0.13 per share which represents the fair value of the shares issued, \$500,000 as a performance based contingent consideration payable in cash on December 31, 2017 and \$1,550,000 in the form of a two-year convertible note bearing interest at the rate of 8% payable quarterly. The convertible note allows the holder to convert the principal amount, after an initial period of 12 months, into common shares of the Company at an exercise price of Cdn\$0.1396 as described in Note 11.

The fair values of the of the acquired assets have been determined on a provisional basis pending the completion of a formal valuation and have been allocated as follows:

Cont'd...

## RELEVIVUM TECHNOLOGIES INC.

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### NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

#### 15. BioGanix LTD asset acquisition - Cont'd

	\$
Inventory	269,020
Trademarks and other intangible assets	2,555,692
Goodwill	3,251,988
	<u>6,076,700</u>

#### 16. Statement of cash flows

Changes in non-cash working capital items:

	Three months ended March 31		Nine months ended March 31	
	2018	2017	2018	2017
	\$	\$	\$	\$
Receivables	135,855	(18,484)	(134,776)	28,612
Inventory	(291,137)	-	(468,687)	-
Prepaid expenses	(21,042)	(5,003)	(73,733)	(30,536)
Accrued liabilities	168,702	(78,104)	(110,537)	30,953
	<u>(7,622)</u>	<u>54,617</u>	<u>(787,733)</u>	<u>29,029</u>

#### 17. Related party transactions

During the nine months period the following transactions occurred:

- Consulting fees include \$20,245 (2017 - NIL) paid to a director of the Company.
- Administration fees include directors fees of \$10,500 (2017 – Nil).
- Professional fees include \$58,177 of services provided by the legal secretary. The company entered into an agreement with the legal secretary to issue shares in exchange for services rendered in this capacity. The number shares to be issued is to be determined using a value weighted price determination in exchange for the value of the services received.

These transactions are measured at the exchange amount, which is the amount of consideration determined and agreed to by the related parties. As at March 31, 2018, the balance due to related parties amounted to \$20,107.

Cont'd...

# RELEVIVUM TECHNOLOGIES INC.

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## NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 18. Capital disclosures

The Company's objectives when managing capital are:

- to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders;
- to maintain sufficient cash resources to support its ongoing activities;
- to maintain a flexible capital structure which optimizes the cost of capital at an acceptable level of risk.

In the management of capital, the Company considers the items included in shareholders' equity in the definition of capital.

The Company manages its capital structure and makes adjustments to it in light of economic conditions and the risk characteristics of the underlying assets. The Company, upon the approval of the Board of Directors, will balance its overall capital structure through the issue of new shares, acquiring or disposing of assets, or by undertaking other activities as deemed appropriate under specific circumstances.

The Company is not exposed to any externally imposed capital requirements.

### 19. Compensation of key management

Key management includes the roles of CEO, CFO and Chairman of the Board. During the period, the following compensation was paid to key management.

	Three months ended March 31		Nine months ended March 31	
	2018	2017	2018	2017
	\$	\$	\$	\$
Administration fees	50,935	36,000	192,935	118,000
Share-based payments	-	1,118	230,370	4,019
	56,935	37,118	429,305	122,019

### 20. Financial instruments and risk management

#### *Fair Value*

#### Hierarchy of Fair Value Measurements

IFRS 13 requires disclosure of a three-level hierarchy for fair value measurements based upon transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

Level 1: Fair value is based on quoted market prices in active markets for identical assets or liabilities.

Level 2: Fair value is based on observable inputs other than Level 1 prices, such as quoted market prices for similar, but not identical, assets or liabilities in active markets, quoted market prices for identical assets or liabilities in markets that are not active, and other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Cont'd...

# RELEVIVUM TECHNOLOGIES INC.

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## NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 20. Financial instruments and risk management - Cont'd

Level 3: Fair value is based on non-observable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Financial instruments classified within Level 3 of the fair value hierarchy are initially fair valued at their transaction price, which is considered the best estimate of fair value. After initial measurement, the fair value of Level 3 assets and liabilities is determined using valuation models, discounted cash flow methodologies, or similar techniques.

The carrying values of cash and cash equivalents, short-term investment and accounts payable and accrued liabilities approximate their fair values due to the immediate or short-term maturity of these financial instruments.

The determination of the fair value of cash and cash equivalents was calculated using level 1 fair value hierarchy.

The carrying values of the contingent consideration payable, the convertible notes payable and unsecured balance of purchase price payable approximate their fair values as they were incurred very close to the year-end.

The determination of the contingent consideration payable, the convertible notes payable and unsecured balance of purchase price payable was calculated using level 2 fair value hierarchy.

#### *Credit risk*

The Company is exposed to credit risk through its cash and cash equivalents. Credit risk results from the possibility that a loss may occur from the failure of another party to perform according to the terms of a contract.

Cash and cash equivalents are maintained with a high quality financial institution. As the Company's cash is held by a single Canadian bank, there is a concentration of credit risk. The carrying amount of cash and cash equivalents represents the Company's maximum credit exposure.

#### *Interest rate risk*

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

#### *Interest rate sensitivity*

The following table demonstrates the sensitivity to a possible change in interest rates on the debts described in Note 11. With all other variables held constant, the Company's loss before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/decrease %	Effect on annual loss before tax \$
2018	1%	17,470
2017	1%	26,470

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# RELEVIVUM TECHNOLOGIES INC.

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## NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 20. Financial instruments and risk management - Cont'd

#### *Currency risk*

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Carrying amounts in the Company's consolidated financial statements are based upon best estimates of amounts ultimately realizable after conversion to Canadian funds. As at March 31, 2018, assets and liabilities in foreign currencies are approximately as follows:

	US dollars
Cash	125,113
Receivables	150,980
Inventory	363,492
Prepaid expenses	19,579
Accounts payable and accrued liabilities	225,919
Contingent consideration payable	387,000
Loan payable	128,994
Balance of purchase price payable	1,297,464

#### *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by continuously forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.