Plymouth Realty Capital Corp.

Financial Statements

For the period from July 15, 2013 (date of incorporation) to December 31, 2013

April 24, 2014

Independent Auditor's Report

To the Audit Committee of
Plymouth Realty Capital Corp.

We have audited the accompanying financial statements of Plymouth Realty Capital Corp., which comprise the statement of financial position as at December 31, 2013 and the statements of loss and comprehensive loss, changes in equity and cash flows for the period from July 15, 2013 (date of incorporation) to December 31, 2013, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements
Management is responsible for the preparation and fair presentation of these 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.

Auditor's responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of Plymouth Realty Capital Corp. as at December 31, 2013 and its financial performance and its cash flows for the period from July 15, 2013 (date of incorporation) to December 31, 2013 in accordance with International Financial Reporting Standards.

(Signed by) “PricewaterhouseCoopers LLP”

Chartered Professional Accountants, Licensed Public Accountants

Plymouth Realty Capital Corp.

Statement of Financial Position

As at December 31, 2013

	$
Assets	
Cash	355,994
Amounts receivable	6,760
Prepaid expenses	12,950
	375,704
Liabilities	
Accounts payable and accrued expenses	17,296
Due to shareholders (note 6)	2,697
	19,993
Shareholders' Equity	
Common shares (note 3)	375,266
Paid-in capital (note 3)	67,402
Deficit	(86,957)
	355,711
	375,704

Approved by the Board of Directors

"Donna Sperounis" Director **(Signed)** **"Jeffrey Witherell"** Director **(Signed)**

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

Plymouth Realty Capital Corp.

Statement of Loss and Comprehensive Loss

For the period from July 15, 2013 (date of incorporation) to December 31, 2013

	$
Expenses	
Share based payments (note 7)	48,817
Accounting and audit	32,302
Travel expenses	3,813
Service contracts	1,180
Professional fees	532
Other expenses	313
Net loss and comprehensive loss	86,957
Weighted average number of common shares outstanding during the period	4,341,864
Loss per share - basic and diluted	(0.020)

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

Plymouth Realty Capital Corp.

Statement of Changes in Equity

For the period from July 15, 2013 (date of incorporation) to December 31, 2013

	Number of shares	Amount $	Paid in capital $	Deficit $	Total $
Balance - July 15, 2013	-	-	-	-	-
Issuance of common shares (note 3)	6,525,000	522,500	-	-	522,500
Share issuance costs (note 3)	-	(128,649)	-	-	(128,649)
Warrants issued (note 3)	-	(18,585)	18,585	-	-
Share based payments - value of officers' and directors' services (note 7)	-	-	48,817	-	48,817
Net loss and comprehensive loss	-	-	-	(86,957)	(86,957)
Balance - December 31, 2013	6,525,000	375,266	67,402	(86,957)	355,711

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

Plymouth Realty Capital Corp.

Statement of Cash Flows

For the period from July 15, 2013 (date of incorporation) to December 31, 2013

	$
Cash provided by (used in)	
Operating activities	
Net loss for the period	(86,957)
Add (deduct) items not affecting cash	
Share based payments (note 7)	48,817
Changes in non-cash working capital items	
Increase in amounts receivable	(6,760)
Increase in prepaid expenses	(12,950)
Increase in accounts payable	17,296
Net cash used in operating activities	(40,554)
Financing activities	
Issuance of common shares (note 3)	447,530
Share issuance costs	(53,679)
Due to shareholders	2,697
Net cash provided by financing activities	396,548
Increase in cash during the period	355,994
Cash - Beginning of period	-
Cash - End of period	355,994

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

1 Organization

The Plymouth Realty Capital Corp. (the Company) was incorporated under the Business Corporation Act (Ontario) on July 15, 2013 and to date of these financial statements, there have been no significant operations. The Company is a Capital Pool Company, as defined in Policy 2.4 of the TSX Venture Exchange, the principal business of which is the identification and evaluation of assets or businesses for the purpose of completing a qualifying transaction. The head office of the Company is located at 260 Franklin Street, 19th Floor, Boston, Massachusetts.

2 Summary of significant accounting policies

These financial statements, which have been approved by the Company's Board of Directors on April 23, 2014, have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The financial statements are prepared on a going concern basis and have been presented in Canadian dollars, which is also the Company's functional currency.

Cash

Cash includes cash on hand and deposits held with banks.

Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and the reported amount of expenses during the period. Actual results may differ from these estimates.

In making estimates, management relies on external information and observable conditions where possible, supplemented by internal analysis as required. Such estimates and judgments have been applied in a manner consistent with prior periods and there are no known trends, commitments, events or uncertainties the Company believes will materially affect the methodology or assumptions in making those estimates and judgments in these financial statements.

Agent's warrants

The Company accounts for the agent's warrants issued in the course of initial public offering on October 17, 2013 at fair value using the Black-Scholes option pricing model. The Company applies judgement in determining the assumptions used in the Black-Scholes option pricing model, that are mainly based on market conditions existed at the grant date (note 3).

Share-based compensation

The Company accounts for share-based compensation at fair value at the grant date using the Black-Scholes option pricing model. The Company applies judgement in determining the assumptions used in the Black-Scholes option pricing model, that are mainly based on market conditions that existed at the grant date (note 7).

Share issuance costs

Incremental costs that are directly attributable to the issue of new common shares are deducted from the share issuance proceeds.

Loss per share

Basic loss per share is calculated by dividing net loss for the period attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. The diluted weighted average number of common shares is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

Outstanding ordinary shares that are contingently returnable (including escrowed shares) are not treated as outstanding and are excluded from the calculation of basic earnings per share until the date the shares are no longer subject to recall.

Financial instruments

All financial instruments are initially recognized at fair value. Subsequent measurement depends on the nature and classification adopted for the financial instrument as follows:

Financial instrument	Classification	Measurement
Cash	Loans and receivables	Amortized cost
Accounts payable and accrued expenses	Financial liability	Amortized cost
Due to shareholders	Financial liability	Amortized cost

Financial assets are derecognized when contractual rights to the cash flow from the assets expire.

Share option plan

The Company adopted a share option plan on August 6, 2013 for certain employees and non-employees. The Company accounts for share-based compensation options using the fair value method. Under this method, compensation expense for share options granted to employees is measured at fair value at the grant date using the Black Scholes option pricing model and recognized over the vesting period of the options granted.

Compensation expense for share options granted to non-employees is measured at the fair value of the goods or services received. However, if the fair value cannot be estimated reliably, the share-based payment transaction is measured at the fair value of the share options granted at the date the Company received the goods or the services using the Black Scholes option pricing model.

Income taxes

The Company follows the asset and liability method of accounting for income taxes. Income tax is recognized in profit or loss except to the extent it relates to items recognized in equity, in which case the income tax is also recognized in equity. Current tax assets and liabilities are measured at the amount expected to be paid or received from tax authorities using rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are measured at the tax rates enacted or substantively enacted at the balance sheet date that are expected to apply to the period when the asset is realized or liability is settled. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be generated and available for the asset to be utilized against. As at December 31, 2013, no deferred tax asset has been recognized, as it is not probable that future taxable profit will be generated.

Standards issued but not yet effective

There are several pending changes to IFRS, including IFRS 9, Financial Instruments, IAS 32 Financial Instruments: Presentation and IFRIC 21, Levies, which are not yet effective for the period ended December 31, 2013, and have not been applied in the preparation of these financial statements. These changes are not expected to have a material impact on the financial statements of the Company.

IFRS 9, Financial Instruments, is a new standard which will replace IAS 39, Financial Instruments: Recognition and Measurement, and addresses classification and measurement of financial assets, as well as providing guidance on financial liabilities and derecognition of financial instruments. IFRS 9 provides a single approach, based on how an entity manages its financial instruments and the contractual cash flow characteristics of the financial assets to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple classification options in IAS 39.

IAS 32, Financial Instruments: Presentation, clarifies requirements for offsetting of financial assets and financial liabilities.

IFRIC 21, Levies is an interpretation of IAS 37, Provisions, Contingent Liabilities and Contingent Assets. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligation event). The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

3 Common shares

	Shares	Amount $
Authorized		
Unlimited number of common shares		
Issued and outstanding		
Common shares issued for cash		
Issued at $0.05 per share	2,600,000	130,000
Issued at $0.10 per share, net of costs of $147,234	3,925,000	245,266
	6,525,000	375,266

On July 15, 2013, the Company issued 100 common shares for $5 and on July 31, 2013 issued 2,599,900 common shares for gross cash consideration of $129,995. This total of 2,600,000 shares will be held in escrow and will be released in future periods in accordance with an escrow agreement to be entered into between the Company and the initial shareholders.

On October 17, 2013, pursuant to an agency agreement dated August 28, 2013, the Company completed an initial public offering in British Columbia, Alberta and Ontario of 3,925,000 common shares at a price of $0.10 per share for gross proceeds of $392,500 (the Offering). The Company paid the Agent (as defined in the Prospectus) a 9% cash commission of the aggregate gross proceeds, a corporate finance fee, and issued options to purchase up to 9% of the common shares sold in connection with this Offering at a price of $0.10 per share (the Agent's Warrants).

As a result, pursuant to the Offering, the Company issued 353,250 Agent's warrants for a total amount of $18,585 that was included into the costs related to the Offering. Each warrant entitles the holder to purchase one common share of the Company at a price of $0.10 per share at any time on or before October 22, 2015. The fair value of warrants granted during the period, determined using Black-Scholes valuation model, was $18,585. The significant inputs into the model were: exercise price of $0.10 shown above, volatility of 100%, an expected dividend yield of nil%, an expected option life of 2 years and an annual risk-free interest rate of 1.17%.

The above warrants were not included in the computation of diluted net loss per share as they are anti-dilutive for all periods presented.

Upon completion of the Offering, the Company granted 652,500 stock options to certain officers and directors of the Company. These options vest immediately. Each option entitles the holder to purchase one common share at $0.10 per share at any time on or before October 22, 2018 (note 7).

As at December 31, 2013, the directors and officers of the Company beneficially own, directly or indirectly, or have control or direction over 2,100,000 common shares or approximately 32% of the issued and outstanding common shares of the Company.

4 Financial instruments

Fair value

The Company's financial instruments consist of cash, accounts payable and accrued expenses and due to shareholders, the fair value of which approximates carrying value due to the short-term nature of these instruments.

Liquidity risk

Liquidity risk is the risk the Company will not have the financial resources required to meet its financial obligations as they come due. The Company manages this risk by ensuring it has sufficient cash on hand to meet obligations as they come due by forecasting cash flows from operations, cash required for investing activities and cash from financing activities. As at December 31, 2013, the Company had cash of $355,994 and was not subject to significant liquidity risk.

Interest rate risk

Interest rate risk is the risk the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's cash balances are not held in investment accounts, therefore, is not exposed to the risk from interest rate fluctuations.

Credit risk

Credit risk is the risk one party to a financial instrument will cause a loss to another party by failing to pay for its obligations. The Company is subject to credit risk with respect to its cash balances. The Company mitigates credit risk by depositing cash with a Canadian schedule I chartered bank and monitoring the bank's credit ratings.

5 Capital management

The Company defines its capital as its shareholders' equity, net of deficit. The Company manages its capital to ensure that sufficient funds are available to fund operations, including the identification and acquisition of businesses or assets. Until the Company completes its qualifying transaction, the amount of capital it is permitted to raise is limited to $5 million by the Capital Pool Company Policy of the TSX Venture Exchange.

6 Related party transactions

Plymouth Group Real Estate, LLC (the Sponsor) allocates certain employees and office space in order to provide the day-to-day operations of the Company. To date the Sponsor has not charged the Company for any of these costs.

Amounts due to shareholders represent overpayments made for the initial issuance of common shares. These amounts are non-interest bearing and have no set terms of repayment.

7 Share-based payments

The Company adopted a share option plan on August 6, 2013 for certain employees and non-employees.

Pursuant to the Offering in October 2013 (note 3), the Company granted 652,500 stock options to certain officers and directors of the Company. These options vest immediately. Each option entitles the holder to purchase one common share at $0.10 per share at any time on or before October 22, 2018. The Company has no legal or contractual obligation to repurchase or settle the options in cash.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	Exercise price $	Options
As at July 15, 2013 (date of incorporation)	-	-
Granted	0.10	652,500
As at December 31, 2013	0.10	652,500

The fair value of options granted during the period determined using Black-Scholes valuation model was $48,817. The significant inputs into the model were: exercise price of $0.10, volatility of 100%, an expected dividend yield of nil%, an expected option life of 5 years and an annual risk-free interest rate of 1.80%. The volatility of 100% has been determined based on analysis of the recent similar transactions undertaken by comparable companies.

The total expense recognized in the income statements for share options granted to certain officers and directors is recognized in the statement of loss and comprehensive loss.

The above options were not included in the computation of diluted net loss per share as they are anti-dilutive for all periods presented.