

Plymouth Realty Capital Corp.

Financial Statements
(Unaudited)

For the three month periods ended March 31, 2018.

MANAGEMENT REPORT

June 6, 2018

Notice to Reader

The management of Plymouth Realty Capital Corp. (the “Company”) is responsible for the preparation of the accompanying interim financial statements. The interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IAS”) 34 “Interim Financial Reporting” and are considered by management to present fairly the financial position, operating results and cash flows of the Company.

These interim financial statements have not been reviewed by an auditor. These interim financial statements are unaudited and include all adjustments, consisting of normal and recurring items that management considers necessary for a fair presentation of the financial position, financial performance and cash flows of the Company.

(signed) Jeffrey Witherell, Chief Executive Officer

(signed) Dan Wright, Chief Financial Officer

Plymouth Realty Capital Corp.
Condensed Interim Statements of Financial Position
(Unaudited)

	March 31, 2018	December 31, 2017
Assets	CDN\$	CDN\$
Cash	51,752	54,624
	<u>51,752</u>	<u>54,624</u>
Liabilities		
Accounts payable and accrued expenses	8,777	6,574
Due to shareholders (note 6)	<u>2,697</u>	<u>2,697</u>
	<u>11,474</u>	<u>9,271</u>
Shareholders' Equity		
Common shares (note 3)	416,981	416,981
Paid-in capital (notes 3 and 7)	67,402	67,402
Deficit	<u>(444,105)</u>	<u>(439,030)</u>
	<u>40,278</u>	<u>45,353</u>
	<u>51,752</u>	<u>54,624</u>

Approved by the Board:

Kermit Furlow

Director (Signed)

Jeffrey Witherell

Director (Signed)

Gunther Roehlig

Director (Signed)

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

Plymouth Realty Capital Corp.

Condensed Interim Statement of Loss and Comprehensive Loss
(Unaudited)

	Three months ended	
	March 31,	
	2018	2017
	CDN\$	CDN\$
Expenses		
Accounting and audit	1,361	6,502
Service contracts	3,418	1,905
Other	296	2,931
Net loss and comprehensive loss	5,075	11,338
Weighted average number of common shares outstanding for the period (note 3)	6,225,000	6,225,000
Loss per share - basic and diluted (note 2)	(0.00082)	(0.0018)

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

Plymouth Realty Capital Corp.

Condensed Interim Statement of Changes in Shareholders' Equity
(Unaudited)

	Number of shares	Amount CDN\$	Paid-in capital CDN\$ (notes 3 and 7)	Deficit CDN\$	Total CDN\$
Balance – January 1, 2018	6,225,000	416,981	67,402	(439,030)	45,353
Cancellation of common shares	-	-	-	-	-
Net loss and comprehensive loss	-	-	-	(5,075)	(5,075)
Balance – March 31, 2018	<u>6,225,000</u>	<u>416,981</u>	<u>67,402</u>	<u>(444,105)</u>	<u>40,278</u>

	Number of shares	Amount CDN\$	Paid-in capital CDN\$	Deficit CDN\$	Total CDN\$
Balance – January 1, 2017	6,225,000	416,981	67,402	(420,655)	63,728
Cancellation of common shares	-	-	-	-	-
Net loss and comprehensive loss	-	-	-	(11,338)	(11,338)
Balance – March 31, 2017	<u>6,225,000</u>	<u>416,981</u>	<u>67,402</u>	<u>(431,993)</u>	<u>52,390</u>

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

Plymouth Realty Capital Corp.
Condensed Interim Statements of Cash Flows
(Unaudited)

	Three months ended March 31,	
	2018	2017
	CDN\$	CDN\$
Cash provided by (used in)		
Operating activities		
Net loss for the year	(5,075)	(11,338)
Changes in non-cash working capital items		
(Increase) decrease in other assets		(1,412)
Increase (decrease) in accounts payable	2,203	2,448
Net cash used in operating activities	(2,872)	(10,302)
Decrease in cash during the period	(2,872)	(10,302)
Cash - Beginning of period	<u>54,624</u>	<u>73,024</u>
Cash - End of period	<u>51,752</u>	<u>62,722</u>

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

Plymouth Realty Capital Corp.

Notes to Financial Statements

(Unaudited)

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. On June 24, 2016 the Company was transferred to the NEX Board. The Company will remain on the NEX Board until it has identified and completed a qualifying transaction. The head office of the Company is located at 260 Franklin Street, 7th Floor, Boston, Massachusetts.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. The Company's ability to meet its obligations and maintain its current operations is contingent upon successful completion of additional financing arrangements. These material uncertainties may cast doubt upon the entity's ability to continue as a going concern.

The Company's continued operations are dependent on its ability to complete a qualifying transaction, generate future cash flows and obtain additional financing.

2 Summary of significant accounting policies

The condensed interim financial statements of the Company have been prepared by management in accordance with International Financial Reporting Standards (IFRS) applicable to the preparation of interim financial statements, including International Accounting Standard 34, Interim Financial Reporting, and do not include all of the information required for full annual financial statements, and should be read in conjunction with the audited financial statements for the year ended December 31, 2017. The accounting policies applied by the Company in the preparation of these condensed interim financial statements are consistent with those applied for the year ended December 31, 2017.

These condensed interim financial statements are presented in Canadian dollars, which is the functional currency of the Company and are prepared on a going concern basis. The financial statements were approved by the Board of Directors of the Company on June 6, 2018.

Cash

Cash includes cash on hand and deposits held with banks.

Significant accounting judgments, estimates and assumptions

The preparation of the 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 each year. 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

Plymouth Realty Capital Corp.

Notes to Financial Statements

(Unaudited)

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.

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, 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 year attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. 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. Financial liabilities are derecognized when the obligation is discharged, cancelled or expires.

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

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(Unaudited)

enacted or substantively enacted at the reporting 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

Standards issued but not yet effective

IFRS 9 addresses the classification, measurement and derecognition of financial assets and liabilities and introduced new rules for hedge accounting. In July 2014, the IASB made further changes to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the new financial instruments standard. Following the changes approved by the IASB in July 2014, the new standard also introduces expanded disclosure requirements and changes in presentation. The new impairment model is an expected credit loss model which may result in earlier recognition of credit losses. IFRS 9 must be applied for financial years commencing on or after January 1, 2018.

IFRS 15, Revenue from Contracts with Customers, is a new standard that establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. IFRS 15 is effective for annual periods beginning on or after January 1, 2018, although earlier application is permitted.

IFRS 16, Leases, is a new standard that sets out the principles for the recognition, measurement and disclosure of leases. This new standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. For lessors, IFRS 16 carries forward the lessor accounting requirements in IAS 17, with enhanced disclosure requirements that will provide information to the users of financial statements about a lessor's risk exposure, particularly to residual value risk. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, although earlier application is permitted for entities that apply IFRS 15.

The company has not yet assessed the impact of these standards on its financial statements.

3 Common shares

	Shares	Amount CDN\$
Authorized		
Unlimited number of common shares		
Issued and outstanding		
Common shares issued for cash		
Issued at \$0.05 per share (Net of cancellation approved by shareholders on January 25, 2016)	2,300,000	178,847
Issued at \$0.10 per share, net of costs of \$147,234	3,925,000	238,134
	<u>6,225,000</u>	<u>416,981</u>

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(Unaudited)

Note: 1,300,000 shares were cancelled as approved by the shareholders of the Company on January 25, 2016.

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 2,600,000 shares were held in escrow and were to be released in future periods in accordance with an escrow agreement entered into between the company and the initial shareholders. On January 25, 2016, the Plymouth shareholders approved the cancellation of 1,300,000 of such shares and all such shares were subsequently cancelled.

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 2013, determined using the Black-Scholes valuation model, was \$18,585. The significant inputs into the model were: exercise price of \$0.10 shown above, volatility of 100%, and expected dividend yield of nil%, an expected option life of two 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 the period ended March 31, 2018 and had expired prior to March 31, 2018.

On September 8, 2015, the company issued 1,000,000 common shares for cash at a price of \$0.05 per share.

As at March 31, 2018, the directors and officers of the company beneficially own, directly, or indirectly, or have control or direction over 700,000 common shares or approximately 11% 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 March 31, 2018, the Company had cash of \$51,752 to settle liabilities due within 12 months and was not subject to significant liquidity risk.

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The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to 30% of the gross proceeds may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until the completion of a qualifying transaction by the Company, as defined under the policies of the TSX-V.

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, which as at March 31, 2018 totaled an equity of \$40,278 (March 31, 2017 - \$52,390). 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.

The Company's capital management objectives, policies and processes have remained unchanged during the period ended March 31, 2018. The Company is not subject to externally imposed capital requirements.

6 Related party transactions

Plymouth Group Real Estate, LLC (the Sponsor of the Company) 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,

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2018. The Company has no legal or contractual obligation to repurchase or settle the options in cash. Of the 652,500 stock options, 314,505 are currently outstanding.

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

	Exercise price \$	Options
As at January 1, 2018	0.10	314,505
Granted	-	-
As at March 31, 2018	0.10	314,505

The fair value of options granted during 2013 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 above options were not included in the computation of diluted net loss per share as they are anti-dilutive for all periods presented.

8 Segmented Information

The Company's operations comprise a single reporting segment. As the operations comprise a single reporting segment, amounts disclosed in the financial statements for expenses and loss for the period also represent segmented amounts.

All of the Company's operations and assets are in Canada.