Ov2 Investment 1 Inc.

Interim Condensed Financial Statements

(Expressed in Canadian dollars)

For the three and six months ended October 31, 2018

NOTICE TO READER

The interim condensed financial statements of Ov2 Investment 1 Inc. (the "Company") as at and for the three and six months ended October 31, 2018 have been prepared by and are the responsibility of the Company's management. These interim condensed financial statements have not been audited or reviewed by the Company's auditors.

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OV2 Investment 1 Inc.
Interim Condensed Statements of Financial Position (unaudited)
(Expressed in Canadian dollars)
As at October 31, 2018 and April 30, 2018

	October 31, 2018	April 30, 2018
Current assets		
Cash	**$ 676,091**	$ 699,795
Total assets	**$ 676.091**	$ 699,795
Current liabilities		
Accounts payable and accrued liabilities (Note 7)	**$ 19,378**	$ 11,685
Total liabilities	**$ 19,378**	$ 11,685
Shareholders' equity		
Share capital (Note 4)	**$ 774,398**	$ 774,398
Share-based payment reserve (Note 5)	**96,000**	96,000
Warrant reserve (Note 4)	**32,000**	32,000
Deficit	**(245,685)**	(214,288)
Total shareholders' equity	**656,713**	688,110
Total liabilities and shareholders' equity	**$ 676,091**	$ 699,795

Nature and continuance of operations (Note 1)

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

Approved by the Board:

Signed: "Sheldon Pollack"

Signed: "Babak Pedram"

Ov2 Investment 1 Inc.

Interim Condensed Statements of Loss and Comprehensive Loss (unaudited)

(Expressed in Canadian dollars)

For the three and six months ended October 31, 2018 and October 31, 2017

		Three months ended October 31				Six months ended October 31		
		2018		2017		**2018**		2017
Expenses								
Professional fees (Note 7)	**$**	**14,419**	**$**	12,293	**$**	**16,492**	**$**	19,269
Shares-based compensation		**-**		96,000		**-**		96,000
Office and general		**6,203**		-		**6,203**		
Filing fees		**2,826**		4,662		**8,702**		17,660
Net loss and comprehensive loss for the period	**$**	**23,448**	**$**	112,955	**$**	**31,397**	**$**	132,929
Net loss per share – basic and diluted (Note 6)	**$**	**(0.00)**	**$**	(0.02)	**$**	**(0.00)**	**$**	(0.02)
Weighted average number of shares outstanding – basic and diluted		**10,000,000**		6,793,478		**10,000,000**		5,896,739

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

Interim Condensed Statement of Changes in Shareholders' Equity (unaudited)
(Expressed in Canadian dollars)
For the six months ended October 31, 2018 and October 31, 2017

	Number of shares #	Amount #	Share-based payment reserve $	Warrant reserve $	Deficit $	Total shareholders' equity $
Balance, April 30, 2017	5,000,000	400,000	-	-	(27,078)	372,922
Common shares issued for cash	5,000,000	500,000	-	-	-	500,000
Share issue costs	-	(125,602)	-	32,000	-	(93,602)
Share-based compensation	-	-	96,000	-	-	96,000
Net loss for the period	-	-	-	-	(132,929)	(132,929)
Balance, October 31, 2017	10,000,000	774,398	96,000	32,000	(160,007)	742,391
Balance, April 30, 2018	10,000,000	774,398	96,000	32,000	(214,288)	688,110
Net loss for the year	-	-	-	-	(31,397)	(31,397)
Balance, October 31, 2018	10,000,000	774,398	96,000	32,000	(245,685)	656,713

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

Ov2 Investment 1 Inc.
Interim Condensed Statement of Cash Flows (unaudited)
(Expressed in Canadian dollars)
For the six months ended October 31, 2018 and October 31, 2017

	2018	2017
Cash flow from operating activities		
Net loss for the period	**$ (31,397)**	$ (132,929)
Shares-based compensation	**-**	96,000
Net change in non-cash working capital		
Accounts payable and accrued liabilities	**7,693**	(930)
Cash flow from operating activities	**(23,704)**	(37,859)
Cash flow from financing activities		
Issue of shares	**-**	500,000
Issue costs		(78,602)
Cash flow from financing activities	**-**	421,398
Increase (Decrease) in cash	**(23,704)**	383,539
Cash, beginning of period	**699,795**	372,719
Cash, end of period	**$ 676,091**	$ 756,258

Supplemental cash flow information		
Change in deferred transaction costs	-	15,000
Compensation warrants	-	32,000

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

1. Nature and Continuance of Operations

Ov2 Investment 1 Inc. ("the Company") was incorporated pursuant to the provisions of the Business Corporations Act of Canada on November 30, 2016. The Company intends to carry on business as a “Capital Pool Corporation” (“CPC”), as such term is defined in TSX Venture Exchange Inc. (the “Exchange”) Policy 2.4 - Capital Pool Companies ("Policy 2.4"). As at October 31, 2018, the Company has no business operations and did not enter into any agreements to acquire an interest in businesses or assets. The Company's principal purpose is the identification, evaluation and acquisition of assets, properties or businesses or participation therein subject, in certain cases, to shareholder approval and acceptance by the Exchange. The Company’s registered head office address is 181 Bay Street, Suite 320, Toronto, Ontario, M5J 2T3.

The Company completed its initial public offering ("IPO") on September 28, 2017 (see Note 4). The gross proceeds raised from the IPO may only be used to identify a "Qualifying Transaction", as such term is defined in Exchange Policy 2.4 with the exception that the lesser of 30% of the gross proceeds and $210,000 may be used to cover prescribed costs of issuing the common shares in the capital of the Company or administrative and general expenses of the Company.

Where a Qualifying Transaction is warranted, additional funding may be required. The ability of the Company to fund its potential future operations and commitments is dependent upon the ability of the Company to obtain additional financing. Under Exchange Policy 2.4, the Company must identify and complete a Qualifying Transaction within 24 months from the date the Company’s shares are listed for trading on the Exchange. There is no assurance that the Company will be able to complete a Qualifying Transaction within 24 months of being listed or that it will be able to secure the necessary financing to complete a Qualifying Transaction. The Exchange may suspend or delist the Company’s shares from trading should it not meet these requirements. See Note 11 for proposed Qualifying Transaction.

The Company does not generate revenue from operations. The Company incurred a net loss of $31,397 during the six months ended October 31, 2018 (six months ended October 31, 2017 - $132,929). However, the Company believes that its working capital balance as at October 31, 2018 will provide the Company with sufficient cash resources to meet its obligations for at least twelve months from the end of the reporting period. These financial statements have been prepared on a going concern basis, which presumes realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. As the Company has no revenues, its ability to continue as a going concern is dependent on obtaining additional financing and completing a Qualifying Transaction. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business. Such adjustments could be material.

2. Basis of Presentation

These financial statements are prepared by the Company in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These financial statements have been prepared using the accrual basis of accounting, except for cash flow information. Furthermore, these financial statements are presented in Canadian dollars which is the functional currency of the Company.

Statement of compliance

These interim condensed financial statements as at and for the three and six months ended October 31, 2018 have been prepared in accordance with International Accounting Standard ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with IFRS. The disclosure contained in these interim condensed financial statements does not include all the requirements in IAS 1 Presentation of Financial Statements. Accordingly, these interim condensed financial statements should be read in conjunction with the Company's annual financial statements as at and for the period ended April 30, 2018, which include information necessary to understand the Company's business and financial statement presentation.

These interim condensed financial statements were authorized for issue by the Board of Directors on December 12, 2018.

3. Summary of Significant Accounting Policies

The policies applied in these condensed interim financial statements are based on IFRS's issued and outstanding as of the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these condensed interim financial statements as compared with the most recent annual financial statements as at and for the period ended April 30, 2018. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the period ending April 30, 2019 could result in restatement of these condensed interim financial statements.

Accounting standards issued but not yet applied

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. In the current circumstances, it does not expect any of these to have a material impact on the financial statements.

IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

(Expressed in Canadian dollars)

3. Summary of Significant Accounting Policies (continued)

IFRS 16 – Leases ("IFRS 16") was issued in January 2016 and replaces IAS 17 – Leases as well as some lease related interpretations. With certain exceptions for leases under twelve months in length or for assets of low value, IFRS 16 states that upon lease commencement a lessee recognizes a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the liability plus any initial direct costs. After lease commencement, the lessee shall measure the right-of-use asset at cost less accumulated depreciation and accumulated impairment. A lessee shall either apply IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognize the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application. IFRS 16 requires that lessors classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise it is an operating lease. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. Earlier adoption is permitted if IFRS 15 has also been applied.

IFRIC 23 – Uncertainty Over Income Tax Treatments ("IFRIC 23") was issued in June 2017 and clarifies the accounting for uncertainties in income taxes. The interpretation committee concluded that an entity shall consider whether it is probable that a taxation authority will accept an uncertain tax treatment. If an entity concludes it is probable that the taxation authority will accept an uncertain tax treatment, then the entity shall determine taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. If an entity concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the entity shall reflect the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates. IFRIC 23 is effective for annual periods beginning on or after January 1, 2019. Earlier adoption is permitted.

4. Share Capital

Authorized

Unlimited common shares with no par value
Unlimited special shares, issuable in series, with no par value

Issued

	Number of Common Shares	Amount $
Balance, November 30, 2016	-	-
Seed share issuance (i)(ii)	2,000,000	100,000
Private placement share issuance (ii)(iii)	3,000,000	300,000
Balance, April 30, 2017	5,000,000	400,000
Issued pursuant to IPO (iv)	5,000,000	500,000
Issue costs (iv)	-	(125,602)
Balance April 30, 2018 and October 31, 2018	**10,000,000**	**774,398**

(i) Seed Share Issuance

On January 25, 2017, the Company issued an aggregate of 2,000,000 seed common shares to the directors and officers of the Company at a price of $0.05 per share for gross cash proceeds of $100,000.

4. Share Capital (continued)

(ii) Shares Subject to Escrow

The issued and outstanding seed share issuance of common shares will be held in escrow pursuant to the requirements of the Exchange to be released as to 10% thereof on completion of the Company's Qualifying Transaction, as defined in the policies of the Exchange, and as to 15% thereof on each of the 6th, 12th, 18th, 24th, 30th, and 36th months following the initial release.

Subject to certain permitted exemptions, all securities of the Company held by principals of the resulting issuer will also be escrowed.

All common shares acquired on exercise of stock options granted to directors and officer prior to completion of a Qualifying Transaction, must also be deposited in escrow until the final exchange bulletin is issued.

All common shares of the Company acquired in the secondary market prior to the completion of a Qualifying Transaction by a Control Person, as defined in the policies of the Exchange are required to be deposited in escrow.

(iii) Private Placement Share Issuance

On March 9, 2017, the Company issued an aggregate 2,000,000 shares pursuant to a non-brokered private placement to accredited investors at a price of $0.10 per share for gross cash proceeds of $200,000.

On April 6, 2017, the Company issued and aggregate 1,000,000 shares pursuant to a non-brokered private placement to accredited investors at a price of $0.10 per share for gross cash proceeds of $100,000.

(iv) IPO

On September 28, 2017, the Company completed an initial public offering ("IPO") pursuant to which it issued 5,000,000 common shares at $0.10 per share for aggregate gross proceeds of $500,000. Canaccord Genuity Corp. (the "Agent") acted as agent of the offering, in connection with which it received a cash commission of $50,000, administration fee of $10,000 and an aggregate of 500,000 compensation warrants, each such compensation warrant entitling the holder to acquire one common share of the Company at an exercise price of $0.10 for a period of 24 months. Additional cash costs of the offering totaled $33,602.

The compensation warrants were valued at $32,000 using the Black-Scholes option pricing model based on the following assumptions: expected volatility of 127% based on the historical volatility of comparable entities, expected life of 2 years, expected dividend yield of 0%, risk free rate of 1.54%, and a share price of $0.10.

All common shares of the Company acquired in the secondary market prior to the completion of a Qualifying Transaction by a Control Person, as defined in the policies of the Exchange are required to be deposited in escrow.

(Expressed in Canadian dollars)

4. Share Capital (continued)

(v) Compensation warrants

	Number of compensation warrants issued	Weighted average exercise price
Balance, April 30, 2017	**-**	$ -
Granted (Note 4(iv))	500,000	0.10
Balance April 30, 2018 and October 31, 2018	**500,000**	**$ 0.10**

The weighted average remaining life of the compensation warrants outstanding as at October 31, 2018, was 0.90 years.

5. Stock Options

The stock option plan of the Company established and approved on April 21, 2017, provides that the Board of Directors of the Company may from time to time, in its discretion and in accordance with the Exchange requirements, grant to directors, officers, consultants and employees of the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the total issued and outstanding common shares of the Company, exercisable for a period of up to 10 years from the date of the grant.

On September 28, 2017, the Company granted 1,000,000 stock options to officers and directors, exercisable at $0.10 per share for a period of 10 years. These options vested immediately upon grant and were valued at $96,000 using the Black-Scholes option pricing model based on the following assumptions: expected volatility of 123% based on the historical volatility of comparable entities, expected life of 10 years, expected dividend yield of 0%, risk free rate of 2.12%, and a share price of $0.10.

	Number of stock options issued and exercisable	Weighted average exercise price
Balance, April 30, 2017	**-**	$ -
Granted	1,000,000	0.10
Balance April 30, 2018 and October 31, 2018	**1,000,000**	**$ 0.10**

The weighted average remaining life of the options outstanding as at October 31, 2018, was 8.91 years.

6. Net Loss per Share

The calculation of basic and diluted loss per share for the three and six months ended October 31, 2018, was based on the loss attributable to common shareholders of $23,448 and $31,397 (three and six months ended October 31, 2017 - $112,955 and $132,929) and the weighted average number of common shares outstanding of 10,000,000 for the three and six months ended October 31, 2018 (three and six months ended October 31, 2017 – 6,793,478 and 5,896,739). Diluted loss per share for the three and six months ended October 31, 2018 and October 31, 2017 does not consider the effect of the 500,000 compensation warrants and 1,000,000 stock options as they are anti-dilutive.

7. Related Party Transactions

Related parties include the Board of Directors, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

During the three and six months ended October 31, 2018, Aluvion Professional Corporation, a law firm of which a former director and shareholder of the Company is an Associate, provided legal services in the amount of 5,609 and $6,800, respectively (three and six months ended October 31, 2017 - $7,506 and $15,644 respectively). As at October 31, 2018, $nil (April 30, 2018 - $742) remained payable and included in accounts payable and accrued liabilities on the statement of financial position. The balance payable is unsecured, non-interest bearing and due on demand.

See also Note 10.

8. Financial Instruments and Risk Management

Fair Values

At October 31, 2018 and April 30, 2018, the Company's financial instruments consist of cash and accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments.

The Company is exposed in varying degrees to a number of risks arising from financial instruments. Management's involvement in the operations allows for the identification of risks and variances from expectations. The Company does not participate in the use of financial instruments to mitigate these risks. The Board approves the risk management processes. The Board's main objectives for managing risks are to ensure liquidity, the fulfillment of obligations, the continuation of the

Company's search for a Qualifying Transaction, and limited exposure to credit and market risks.

The types of risk exposure and the way in which such exposures are managed are as follows:

Credit Risk

Credit risk is the risk of loss if a third party to a financial instrument fails to meet its commercial obligations. The Company believes its exposure to credit risk is not significant.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. None of the Company's financial instruments bear interest. Therefore, management believes that the Company is not exposed to any significant interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Accounts payable and accrued liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms. The Company manages liquidity risk by maintaining sufficient cash balances to enable settlement of transactions on the due date. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. See Note 10.

9. Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and ensure sufficient liquidity in order to become a CPC and complete a Qualifying Transaction so that it can provide adequate returns for shareholders. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital as total equity. The Company is not subject to any externally imposed capital requirements.

Pursuant to the polices of the Exchange, the proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares or $210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until completion of the Qualifying Transaction by the Company as defined under the policies of the Exchange.

10. Proposed Transaction

In September 2018, the previously announced proposed qualifying transaction to acquire The Ledger Group Inc. ("The Ledger Group") expired and is no longer proceeding.