
Altina Capital Corp.

**CONDENSED INTERIM FINANCIAL STATEMENTS
JUNE 30, 2020
(UNAUDITED)**

(EXPRESSED IN CANADIAN DOLLARS)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

Altina Capital Corp.
Condensed Interim Statement of Financial Position
(Expressed in Canadian dollars)

	June 30, 2020 (Unaudited) \$	December 31, 2019 \$
ASSETS		
CURRENT		
Cash	172,060	120,000
Prepaid expenses	10,000	10,000
TOTAL ASSETS	182,060	130,000
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT		
Accounts payable and accrued liabilities	–	5,000
TOTAL LIABILITIES	–	5,000
SHAREHOLDERS' EQUITY		
Share capital (Note 6)	200,000	130,000
Contributed surplus	29,663	–
Deficit	(47,603)	(5,000)
TOTAL SHAREHOLDERS' EQUITY	182,060	125,000
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	182,060	130,000

NATURE OF BUSINESS AND CONTINUING OPERATIONS (NOTE 1)
PROPOSED TRANSACTION (NOTE 10)

Approved on behalf of the Board:

“Terry Salman” Director

“Mirza Rahimani” Director

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

Altina Capital Corp.
Condensed Interim Statement of Loss and Comprehensive Loss
(Expressed in Canadian dollars)
(Unaudited)

	For the three month period ended June 30, 2020	For the six month period ended June 30, 2020
EXPENSES		
Legal and accounting fees	7,690	7,690
Filing fees	—	5,250
Share-based payments (Notes 5, 6)	—	29,663
LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	(7,690)	(42,603)
LOSS PER SHARE, BASIC AND DILUTED	(0.00)	(0.01)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	4,000,000	3,607,692

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

Altina Capital Corp.
Condensed Interim Statement of Cash Flows
(Expressed in Canadian dollars)
(Unaudited)

	For the six month period ended June 30, 2020
	\$
OPERATING ACTIVITIES	
Loss for the period	(42,603)
Adjustments For Items Not Affecting Cash:	
Share-based payments	29,663
Changes In Non-Cash Working Capital Items:	
Accounts payable and accrued liabilities	(5,000)
Net cash used in operations activities	(17,940)
FINANCING ACTIVITY	
Common shares issued	70,000
Net cash provided by financing activities	70,000
CHANGE IN CASH FOR THE PERIOD	52,060
CASH, BEGINNING OF PERIOD	120,000
CASH, END OF PERIOD	172,060
Interest paid	\$ —
Income tax paid	\$ —

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Altina Capital Corp.
Condensed Interim Statement of Changes in Shareholders' Equity
(Expressed in Canadian dollars)
(Unaudited)

	Number of shares	Share Capital	Contributed Surplus	Deficit	Total
		\$	\$	\$	\$
Balance, August 23, 2019 (date of incorporation)	–	–	–	–	–
Common shares issued	2,600,000	130,000	–	–	130,000
Loss for the period	–	–	–	(5,000)	(5,000)
Balance, December 31, 2019	2,600,000	130,000	–	(5,000)	125,000
Common shares issued	1,400,000	70,000	–	–	70,000
Share-based payments	–	–	29,663	–	29,663
Loss for the period	–	–	–	(42,603)	(42,603)
Balance, June 30, 2020	4,000,000	200,000	29,663	(47,603)	182,060

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

1. NATURE OF BUSINESS AND CONTINUING OPERATIONS

Altina Capital Corp. (the "Company") was incorporated on August 23, 2019 under the laws of British Columbia and is applying to be a Capital Pool Company ("CPC") as defined in the TSX Venture Exchange (TSX-V) Policy 2.4. The Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. It is anticipated that the Company's common shares will be listed for trading on the TSX-V upon completion of its IPO, for which the Company received conditional acceptance from the TSX-V on June 2, 2020. TSX-V acceptance is conditional to the completion of the prospectus offering, satisfactory receipt of final documentation pursuant to TSX-V Policy 2.3 and 2.4, and evidence of satisfactory shareholder distribution on completion of the IPO. The head office and the records and registered office is located at 25th Floor, 700 W Georgia St. Vancouver, British Columbia, V7Y 1B3.

Since incorporation on August 23, 2019, the Company has had no active business operations. As a CPC, the Company's principal business objective will be to identify and evaluate assets or businesses with a view to potential acquisition or participation by completing a Qualifying Transaction, as defined in Exchange Policy 2.4 subject, in certain cases, to shareholder approval and acceptance by the Exchange. The Company has an accumulated deficit of \$47,603 as at June 30, 2020. The Company's ability to continue its operations is dependent upon obtaining additional financing sufficient to cover its operating costs. All of the preceding indicates the existence of a material uncertainty that may cast substantial doubt about the Company's ability to continue as a going concern. These unaudited condensed interim financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying interim financial statements.

These unaudited condensed interim financial statements were authorized by the Board of Directors on August 31, 2020.

2. STATEMENT OF COMPLIANCE

These unaudited condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These financial statements comply with International Accounting Standard 34, *Interim Financial Reporting* ("IAS 34").

3. BASIS OF PRESENTATION

These unaudited condensed interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these unaudited condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information. These unaudited condensed interim financial statements follow the same accounting policies and methods of application as the annual audited financial statements for the period from incorporation on August 23, 2019, to December 31, 2019.

These unaudited condensed interim financial statements do not include all of the information required of a full annual financial report and is 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 this financial report be read in conjunction with the annual financial statements of the Company for the period ended December 31, 2019.

4. CHANGES IN ACCOUNTING POLICIES

New accounting standards and interpretations

There were no new or amended accounting standards or interpretations adopted during the six month period ended June 30, 2020.

5. RELATED PARTIES

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

As of June 30, 2020, \$Nil was due to related parties.

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has identified its directors and certain senior officers as its key management personnel and the compensation costs for key management personnel and companies related to them were recorded at their exchange amounts as agreed upon by transacting parties.

During the period ended June 30, 2020, \$Nil (2019 - \$Nil) was recorded as compensation costs and \$29,663 (2019 - \$Nil) was recorded as share-based compensation for key management personnel and companies related to them.

6. SHARE CAPITAL

a) Authorized

Unlimited number of common shares without par value.

Unlimited number of preferred shares without par value. The preferred Shares may be issued from time to time in one or more series, each consisting of a number of Preferred Shares as determined by the board of directors of the Corporation which also may fix the designations, rights, privileges, restrictions and conditions attaching to the shares of each series of Preferred Shares

b) Issued and outstanding

As at June 30, 2020, there are 4,000,000 common shares and nil preferred shares issued and outstanding.

During the six month period ended June 30, 2020, the Company issued 1,400,000 seed common shares at a price of \$0.05 per share for total proceeds of \$70,000.

6. SHARE CAPITAL (continued)

c) Stock Options

During the six month period ended June 30, 2020, the Company adopted an incentive stock option plan whereby the Company may issue up to 700,000 incentive stock options until the completion of a Qualifying Transaction by the Corporation and 10% of the issued and outstanding common shares thereafter to eligible directors, officers, employees or consultants. These options may be granted for a maximum term of ten years from the date of grant and vest as determined by the board of directors. The exercise price will be set by the directors at the time of grant and cannot be less than the discounted market price of the Company's common shares, subject to a minimum exercise price of \$0.10.

Any Common Shares acquired pursuant to the exercise of options under the Option Plan prior to Completion of the Qualifying Transaction must be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued.

A summary of the Company's stock option activity is as follows:

	June 30, 2020	
	Number outstanding	Weighted average exercise price (\$)
Balance, December 31, 2019	-	-
Granted	700,000	0.10
Balance, June 30, 2020	700,000	0.10

As at June 30, 2020, stock options outstanding are as follows:

Grant Date	Number of options Outstanding and Exercisable	Exercise Price	Expiry date	Remaining contractual life (years)
			10 years from IPO date (Note 10)	
March 5, 2019	700,000	\$0.10		10
Total	700,000	\$0.10		10

The fair value of the options granted was determined to be \$29,663 using the Black-Scholes option pricing model under the following assumptions: risk-free interest rate - 0.84%; expected life - 10 years; expected volatility - 100% and expected dividends - nil. The amount recorded for share-based compensation are based on the expected life of the options.

7. BASIC AND DILUTED LOSS PER SHARE

The calculation of basic and diluted loss per share for the six month period ended June 30, 2020 was based on the loss attributable to common shareholders of \$47,603 and the weighted average number of common shares outstanding of 3,607,692.

8. MANAGEMENT OF CAPITAL

Capital is comprised of the Company's shareholders' equity. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its ongoing liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

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 no more than the lesser of 30% of the gross proceeds from the issuance of common 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 a Qualifying Transaction by the Company as defined under the Exchange Policy 2.4.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the six month period ended June 30, 2020.

9. FINANCIAL INSTRUMENTS

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Fair Value Measurements

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, and
- Level 3 – Inputs that are not based on observable market data.

The fair value of cash is determined based on Level 1 inputs, which consist of quoted prices in active markets for identical assets

Financial risk management

- **Credit Risk**

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits the exposure to credit risk by only investing its cash with high-credit quality financial institutions. Management believes that the credit risk related to its cash is negligible.

9. FINANCIAL INSTRUMENTS (continued)

- **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 manages liquidity risk through the management of its capital structure and financial leverage as described in Note 8.

The Company monitors its ability to meet its short-term administrative expenditures by raising additional funds through share issuance when required. The Company does not have investments in any asset backed deposits. The Company has no liabilities to settle as at June 30, 2020.

- **Market Risk**

The significant market risks to which the Company is exposed are interest rate risk and currency risk.

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. The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institutions is subject to a floating rate of interest. The interest rate risk on cash is not considered significant.

Currency Risk

The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. The Company is not exposed to significant currency risk. The Company has not entered into any foreign currency contracts to mitigate this risk.

10. PROPOSED TRANSACTION

Filing of Prospectus and Initial Public Offering ("IPO").

The Company has received conditional acceptance from the TSX-V for its application to list on the TSX-V as a Capital Pool Company and for the Company's initial public offering (the "IPO"). The proposed IPO calls for the Company to issue up to a maximum of 4,000,000 common shares of the Company at \$0.10 per common share for gross proceeds of \$400,000. The purpose of the IPO is to provide to the Company with funds with which to identify and evaluate businesses or assets with a view to completing a Qualifying Transaction.

On February 12, 2020, the Company entered into a letter of engagement with Haywood Securities Inc. (the "Agent") to act as its agent in connection with the Company's IPO. Pursuant to the agreement, the Agent will receive a cash commission of 10% of the gross proceeds of the IPO, payable at the closing of the IPO. The Agent will be paid a corporate finance fee of \$10,000 and will be reimbursed by the Company for its expenses and legal fees, of which a retainer of \$10,000 has been paid. In addition, the Agent will be issued up to 400,000 (10% of the number of shares sold in the offering) share purchase warrants (the "Agent's Warrants") entitling the Agent to purchase up to 400,000 common shares of the Company. Each Agent's Warrant is exercisable into one common share at a price of \$0.10 per common share for a term of 24 months from the date of listing of the common shares of the Company on the Exchange.

11. SUBSEQUENT EVENTS

On July 27, 2020, the Company filed its Final Prospectus with the TSX-V in connection to the Company's IPO (Note 10).