VLCTY CAPITAL INC. (A Capital Pool Company)

CONDENSED INTERIM FINANCIAL STATEMENTS
(Presented in Canadian Dollars)

NINE MONTHS ENDED FEBRUARY 28, 2021

(Unaudited)

Notice to Reader

These condensed interim financial statements of VLCTY Capital Inc. have been prepared by management and approved by the Audit Committee of the Board of Directors of the Company. In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed these condensed interim financial statements, notes to the financial statements or the related quarterly Management's Discussion and Analysis.

TABLE OF CONTENTS PAGE

VLCTY CAPITAL INC. (A Capital Pool Company)
Condensed Interim Statements of Financial Position

		February 28, 2021 (unaudited)		May 31, 2020
ASSETS				
Current assets				
Cash	$	311,007	$	132,833
Prepaids		5,250		-
Deposits and other		6,569		6,000
Total assets	$	322,826	$	138,833
LIABILITIES AND SHAREHOLDERS' EQUITY				
LIABILITIES				
Current liabilities				
Accrued liabilities	$	15,507	$	4,726
Total liabilities		15,507		4,726
SHAREHOLDERS' EQUITY				
Capital stock		367,655		142,092
Additional paid-in capital		109,673		-
Accumulated deficit		(170,009)		(7,985)
Total shareholders' equity		307,319		134,107
Total liabilities and shareholders' equity	$	322,826	$	138,833

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

"Andrew Elbaz"
Board Signature

"John Farlinger"
Board Signature

VLCTY CAPITAL INC. (A Capital Pool Company)
Condensed Interim Statements of Income (Unaudited)

	Three Months Ended February 28, 2021	Nine Months Ended February 28, 2021
Revenue		
Total revenue	$ -	$ -
Operating expenses		
Professional fees	1,221	44,044
Listing and filing fees	5,200	22,505
Bank charges and interest	-	218
Amortization	2,625	5,250
Stock based compensation	-	81,943
Other	7,500	8,064
Total operating expenses	16,546	162,024
Net loss	$ (16,546)	$ (162,024)
Basic and diluted loss per common share	$ (0.00)	$ (0.03)
Weighted average number of shares outstanding	6,000,000	5,050,000

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

VLCTY CAPITAL INC. (A Capital Pool Company)
Condensed Interim Statements of Shareholders' Deficit (Unaudited)

	Number of shares issued and outstanding	Share capital amount	Additional paid-in capital	Accumulated Deficit	Total
Balances, at incorporation, September 16, 2019	**-**	**$ -**	**$ -**	**$ -**	**$ -**
Share issuance	3,000,000	150,000		-	150,000
Share issue costs	-	(7,908)		-	(7,908)
Net loss	-	-	-	(7,985)	(7,985)
Balances, May 31, 2020	**3,000,000**	**$ 142,092**	**$ -**	**$ (7,985)**	**$ 134,107**
Share issuance	3,000,000	300,000		-	300,000
Share issue costs	-	(74,437)	27,730	-	(46,707)
Stock based compensation	-	-	81,943	-	81,943
Net loss	-	-	-	(162,024)	(162,024)
Balances, February 28, 2021	**6,000,000**	**$ 367,655**	**$ 109,673**	**$ (170,009)**	**$ 307,319**

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

VLCTY CAPITAL INC. (A Capital Pool Company)
Condensed Interim Statements of Cash Flows (Unaudited)

		Nine Months Ended February 28, 2021
Cash flows from operating activities		
Net loss	$	(162,024)
Adjustments to reconcile net income/(loss) to net cash used in operating activities		
Stock based compensation		81,943
Change in operating assets and liabilities		
Prepaids		(5,250)
Deposit and other assets		(569)
Accounts payable and accrued liabilities		10,781
Cash used in operating activities		(75,118)
Cash flows from financing activities		
Proceeds from share issuance, net		253,292
Cash provided by financing activities		253,292
Increase in cash		178,174
Cash, beginning of period		132,833
Cash, end of period	$	311,007

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

1. NATURE OF BUSINESS

VLCTY Capital Inc. (the "Company" or "VLCTY") was incorporated under the Business Corporations Act (British Columbia) on September 16, 2019. The Company intends to carry on business as a Capital Pool Company ("CPC") as defined in policy 2.4 of the TSX Venture Exchange (the "Exchange" or "TSXV") with a view to completing an initial public offering. The Company has no commercial operations and has no significant assets other than cash and proposes to identify and evaluate potential acquisitions or businesses with a view to completing a Qualifying Transaction as defined under the policies of the Exchange.

The Company's registered head office is located 206-3500 Carrington Road, Westbank, British Columbia, Canada V4T 3C1.

There is no assurance that the Company will identify a Qualifying Transaction within the time limitations permissible under the policies of the Exchange, at which time the Exchange may suspend or delist the Company's shares from trading.

COVID-19

The outbreak of COVID-19 has spread across the globe and is impacting worldwide economic activity. Conditions surrounding COVID-19 continue to rapidly evolve and government authorities have implemented emergency measures to mitigate the spread of the virus. The outbreak and the related mitigation measures may have an adverse impact on global economic conditions as well as on the Company's business activities. The extent to which COVID-19 may impact the Company's business activities will depend on future developments, such as the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions, business disruptions, and the effectiveness of actions taken in Canada and other countries to contain and treat the disease. These events are highly uncertain and as such, the Company cannot determine their financial impact at this time.

2. STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION

Statement of compliance

These condensed interim financial statements have been prepared in accordance and compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These condensed interim financial statements were approved by the Board of Directors on April 28, 2021.

Basis of presentation

These condensed interim financial statements have been prepared on a historical cost basis. In addition, these statements have been prepared using the accrual basis of accounting. These condensed interim financial statements, including comparatives, have been prepared on the basis of IFRS standards that are published at the time of preparation and that are effective or available for the Company's reporting date.

These condensed interim financial statements have been prepared in accordance with the same accounting policies and methods of application as the most recent audited financial statements for the period from the date of incorporation of September 16, 2019 to May 31, 2020 (fiscal yearend), except that they do not include all the disclosures required for the annual audited financial statements. These condensed interim financial statements should be read in conjunction with the audited financial statements for the Company for the period from the date of incorporation of September 16, 2019 to May 31, 2020 (fiscal yearend).

These condensed interim financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets (primarily collection of its accounts receivable) and discharge its liabilities in the normal course of business. These condensed interim financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

Functional currency

The condensed interim financial statements are presented in Canadian dollars, which is also the functional currency of each entity within the group.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting estimates and judgments

Preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies, the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses during the period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these judgments, estimates, and assumptions could result in material adjustment to the carrying amount of the asset or liability affected in future periods. Significant areas of estimation uncertainty considered by management in preparing the financial statements are as follows:

Deferred Tax Assets

Deferred tax assets are recognized in respect of tax losses and other temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits, together with future tax planning strategies. These estimates will affect the reported amounts of deferred tax assets and expenses

Financial Instruments

Recognition and Derecognition

Financial assets and financial liabilities are recognized in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Classification

Financial assets and financial liabilities are classified in the following measurement categories:

i. those to be measured subsequently at fair value (either through profit or loss or through other comprehensive income), and;
ii. those to be measured subsequently at amortized cost.

The classification of financial assets depends on the business model for managing the financial assets and contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at fair value through profit or loss. For financial assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income. Classification of financial assets or financial liabilities at fair value through either profit or loss or other comprehensive income, is an irrevocable designation at the time of recognition.

Financial assets are reclassified when, and only when, the Company's business model for managing those assets changes. Financial liabilities are not reclassified.

The Company has implemented the following classifications:

Cash and deposit are classified as subsequently measured at amortized cost.

Accrued liabilities are classified as other financial liabilities and are subsequently measured at amortized cost using the effective interest method. Interest expense is recorded in profit or loss.

Measurement

All financial instruments are required to be measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issuance of that instrument are added to financial instruments not measured at fair value through profit or loss. Transaction costs of financial instruments with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest are measured at amortized cost at the end of the subsequent accounting period. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any change taken through profit or loss or other comprehensive income.

Impairment

The Company assesses all information available, including on a forward-looking basis the credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is significant increase in credit risk, the Company compares the risk of default occurring as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportive forward looking information.

Capital Stock

Capital stock is classified as equity. Incremental costs directly attributable to the issue of shares and share options are recognized as a deduction from equity. When capital stock is repurchased, the amount of the consideration paid, including directly attributable costs, is recognized as a deduction from equity.

Income Taxes

The Company follows the asset and liability method of tax allocation in accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and for loss carry-forwards. The resulting changes in the net deferred tax asset or liability are included in income.

Deferred tax assets and liabilities are measured using enacted, or substantively enacted, tax rates expected to apply to taxable income (loss) in the years in which temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in tax rates, is included in income in the period that includes the substantive enactment date. Deferred income tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Share-Based Payments

The Company applies a fair value based method of accounting to all share-based payments. Stock options issued to Directors are measured at their fair value on the grant date and recognized over their respective vesting periods. Stock options issued to technical consultants (see Note 8) are measured based on the fair value of the service provided. The cost of stock options is presented as share-based payment expense when applicable, with a corresponding credit to contributed surplus. On the exercise of stock options, capital stock is credited for consideration received and for fair value amounts previously credited to contributed surplus. The Company uses the Black-Scholes option pricing model to estimate the fair value of share-based payments.

Loss Per Share

Basic earnings or loss per share is calculated by dividing the loss by the weighted average number of common shares outstanding during the period. The weighted average number of common shares outstanding is calculated by adjusting the shares issued at the beginning of the period by the number of shares bought back or issued during the period, multiplied by a time-weighting factor.

Diluted earnings or loss per share is calculated by adjusting the number of common shares for the effects of dilutive options and other dilutive potential units. Shares held in escrow that are only released upon contingent events are not included in the calculation of the weighted average number of common shares. Instruments which would be anti-dilutive are not included in the calculation of diluted loss per share.

4. CASH

The proceeds raised from the issuance of capital stock in the period from the date of inception of September 16, 2019 through May 31, 2020 (fiscal yearend) 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 and $210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions may apply until completion of a Qualifying Transaction by the Company as defined under the policies of the Exchange.

5. CAPITAL STOCK

Authorized

Unlimited number of voting common shares
Unlimited number of non-voting, redeemable, retractable preferred shares issuable in series

Issued and Oustanding

Upon incorporation on September 16, 2019, the Company issued 2,000,000 common shares at a price of $0.05 per share for gross proceeds of $100,000. On December 6, 2019, the Company issued 500,000 common shares at a price of $0.05 per share for gross proceeds of $25,000. On February 24, 2020, the Company issued 500,000 common shares at a price of $0.05 per share for gross proceeds of $25,000.

All of the common shares issued are to be held in escrow until completion of a Qualifying Transaction. For the escrowed common shares, 10% will be released on the issuance of the Final Exchange Bulletin and an additional 15% will be released on the dates 6 months, 12 months, 18 months, 24 months, 30 months, and 36 months following the initial release. These common shares, which are considered contingently issuable until the Company completes a Qualifying Transaction, are not considered to be outstanding for the purpose of the loss per share calculation.

2020 Offering

On August 28, 2020, the Company filed a prospectus with the securities regulatory authorities in the provinces of Alberta, British Columbia, and Ontario, and with the Exchange offering 3,000,000 common shares at $0.10 per share (the "Offering") to the public, for total estimated proceeds of $300,000 before transaction costs. Pursuant to the agency agreement (the "Agreement") entered into on August 28, 2020 between the Company and Leede Jones Gable Inc. (the "Agent"), the Agent was granted options to purchase up to 300,000 shares at a price of $0.10 per share exercisable for a period of twenty-four months from the listing of the Company's shares on the Exchange. The fair value of the option granted to the Agent was $27,730.

The Company paid the Agent a commission equal to 10% of the gross proceeds as well as a corporate finance fee of $10,000.

The Offering closed October 28, 2020.

Stock Option Plan

The Company has adopted an Incentive Stock Option Plan (the "Plan") in accordance with the policies of the Exchange which provides that the Board of Directors of the Company may from time to time, at its discretion, grant to directors, officers, employees, and technical consultants of the Company nontransferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed ten percent of the Corporation's issued and outstanding common shares, exercisable for a period of up to ten years from the date of grant, provided that, until the completion of the Qualifying Transaction the number of common shares reserved for issuance shall not exceed 600,000. In addition, the number of common shares reserved for issuance to any one person shall not exceed five percent of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants will not exceed two percent of the issued and outstanding common shares.

Concurrently with the completion of the Offering, the Company entered into stock option agreements with directors of the Company, entitling them to purchase up to 600,000 common shares in aggregate at a price of $0.10 per share for a period of ten years from the date of issuance. These options were valued on the date of issue using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, risk-free interest rate of 0.59%, expected volatility of 100% and an expected life of ten years. The value attributed to these options was $81,943.

As at February 28, 2021, 600,000 stock options had been issued, with an exercise price of $0.10 and an expriy date of October 2030.

6. MANAGEMENT OF CAPITAL

The Company includes the following in its managed capital:

	February 28, 2021 (unaudited)		May 31, 2020	
Capital stock	$	367,655	$	142,092
Deficit		(170,009)		(7,985)
	$	197,646	$	134,107

The Company's objectives in managing capital are to:

a. Maintain sufficient capital to identify, evaluate, and complete a Qualifying Transaction;
b. Ensure the Company maintains the minimum level of capital required to effectively operate its business;
c. Ensure the Company's ability to provide capital growth to its shareholders; and
d. Maintain a flexible structure that optimizes the cost of capital at acceptable levels of risk.

Apart from the above, the Company is not subject to any externally or internally imposed capital requirements at period-end.

7. FINANCIAL RISK MANAGEMENT

Fair Values

The Company's financial instruments consist of cash and accrued liabilities. The fair values of these instruments approximate their carrying values due to the short-term nature of these instruments.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company manages its liquidity risk by forecasting cash flows and anticipated investing and financing activities. Officers of the Company are actively involved in the review and approval of planned expenditures. As at February 28, 2021, the Company has liabilities of $15,507 due within twelve months and has cash of $311,007 to meet its current obligations. As a result, management has judged liquidity risk to be low.

Credit Risk

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The Company believes it has no significant credit risk.

8. SUBSEQUENT EVENT

VLCTY and BuildDirect.com Technologies Inc. (“BuildDirect”) entered into a binding letter of intent dated March 19, 2021 (the “Letter of Intent”), which outlines the terms and conditions pursuant to which VLCTY and BuildDirect will complete a transaction that will result in a reverse take-over of VLCTY by BuildDirect (the “Proposed Transaction”). The Proposed Transaction will be an arm’s length transaction, and, if completed, will constitute VLCTY's “Qualifying Transaction”.

The Proposed Transaction is expected to be structured as a three-cornered amalgamation, whereby VLCTY will incorporate a wholly-owned subsidiary, which will amalgamate with BuildDirect (the “Amalgamation”) to form a newly amalgamated company (“Amalco”). In connection with the Amalgamation, holders of common shares in the capital of BuildDirect (“BuildDirectShares”) will receive common shares in the capital of the Resulting Issuer (as defined below) for each BuildDirect Share held immediately before the Amalgamation and the holders of stock options to purchase BuildDirect Shares will receive stock options to acquire common shares in the capital of the Resulting Issuer for each BuildDirect stock option held immediately before the Amalgamation.

In addition, prior to the Amalgamation, each outstanding VLCTY common share (the “VLCTY Shares”) and security convertible into a VLCTY Share shall be adjusted in accordance with its terms to account for the Consolidation (as defined below) and, in respect of certain of the VLCTY stock options, to amend the expiry date of such options to a date that is 12 months following completion of the Proposed Transaction.

In connection with the Proposed Transaction, it is anticipated that VLCTY will consolidate the VLCTY Shares (the "Consolidation") on the basis of an agreed upon formula which will correspond with the issue price of the securities to be issued by BuildDirect pursuant to its Concurrent Financing as defined below.

The Proposed Transaction is subject to the parties entering into a definitive agreement in respect of the Proposed Transaction (the “Definitive Agreement”) on or before May 7, 2021, or such other date as VLCTY and BuildDirect mutually agree. Completion of the Proposed Transaction is also subject to a number of other customary conditions, including obtaining all necessary board, shareholder and regulatory approvals, including TSXV approval. Pursuant to the Proposed Transaction, VLCTY shall change its name (the “Name Change”) to “BuildDirect.com Technologies Inc.”, or such other name to be determined by the Corporation and as may be acceptable to the TSXV and regulatory authorities (the “Resulting Issuer”) and it will adopt a new stock option plan and stock symbol. Upon completion of the Proposed Transaction, the Resulting Issuer will carry on the business of BuildDirect, and Amalco will be a wholly-owned subsidiary of the Resulting Issuer.

In connection with the Proposed Transaction, VLCTY will convene a meeting of its shareholders for the purpose of approving, among other matters, the Consolidation (if required by applicable law), the election of the Board Nominees (if required by applicable law; as defined herein), the Proposed Transaction (if required by the policies of the TSXV), the Name Change and the adoption of a new stock option plan on terms acceptable to the TSXV and applicable regulatory authorities. BuildDirect will convene a meeting of its shareholders for the purpose of approving the Amalgamation.

As at the date hereof it is not possible for the parties to determine the number of common shares of the Resulting Issuer ("Resulting Issuer Shares") that will be issued upon completion of the Proposed Transaction nor the ownership percentages associated with VLCTY and BuildDirect as this will depend upon the Concurrent Financing and the Consolidation, both factors having an impact on the total number of Resulting Issuer Shares that will be issued in connection with the Amalgamation.

Concurrent Financing

In connection with the Proposed Transaction, BuildDirect will undertake a brokered private placement of subscription receipts the proceeds of which will be placed into escrow pending the closing of the Proposed Transaction. The subscription receipts which will automatically convert into post-Consolidation VLCTY Shares immediately prior to the completion of the Proposed Transaction (the "Concurrent Financing"). The Concurrent Financing will be led by CIBC Capital Markets and Canaccord Genuity Corp., as co-lead agents. Notwithstanding the foregoing, at the time of such financing, BuildDirect will consider, among other things, general market conditions, the development and growth of BuildDirect along with the capital requirements necessary to execute on the business plan and strategy of BuildDirect and may revise or adjust the scope of the financings accordingly.

Officers and Directors

Prior to completion of the Proposed Transaction and subject to approval by the TSXV and the filing of all required materials, BuildDirect will reconstitute the board of the directors of VLCTY with nominees suitable to BuildDirect which individuals will comprise the board of directors of the Resulting Issuer. Further, the officers of the Resulting Issuer will be determined prior to completion of the Proposed Transaction.

Trading in VLCTY Shares

Trading in VLCTY Shares has been halted in compliance with the policies of the TSXV. Trading in VLCTY Shares will remain halted pending the review of the Proposed Transaction by the TSXV and satisfaction of the conditions of the TSXV for resumption of trading. It is likely that trading in the VLCTY Shares will not resume prior to the closing of the Proposed Transaction.

Completion of the Proposed Transaction is subject to a number of conditions, including but not limited to TSXV acceptance and, if applicable pursuant to TSXV requirements, majority of the minority shareholder approval. Where applicable, the Proposed Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Proposed Transaction will be completed as proposed or at all.