Unaudited condensed consolidated interim financial statements of

IC GROUP HOLDINGS INC.
(FORMERLY CUSPIS CAPITAL II LTD.)

A Capital Pool Corporation

For the three and six months ended December 31, 2024 and 2023

IC GROUP HOLDINGS INC. (FORMERLY CUSPIS CAPITAL II LTD.)

A Capital Pool Corporation

Condensed Consolidated Interim Statements of Financial Position

(In Canadian dollars)

(Unaudited)

As at

	Note	December 31, 2024	June 30, 2024
Assets			
Current assets			
Cash	3,5	**$ 3,834**	$ 6,381
Short-term investments	5	**1,281,970**	1,559,414
Prepaid expenses and deposits	6	**183**	550
Total assets		**$ 1,285,987**	$ 1,566,345
Liabilities and Shareholders' Equity			
Current liabilities			
Accounts payable and accrued liabilities	7	**$ 10,013**	$ 77,328
Total current liabilities		**10,013**	77,328
Shareholders' equity			
Share capital	4	**1,721,279**	1,721,279
Share option reserve	4	**186,071**	186,071
Deficit		**(631,376)**	(418,333)
Total shareholders' equity		**1,275,974**	1,489,017
Total liabilities and shareholders' equity		**$ 1,285,987**	$ 1,566,345

Nature of operations and going concern	1
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Approved by the Board of Directors:

(Signed) *"C. Fraser Elliott"*

C. Fraser Elliott – Director

(Signed) *"Jack Schoenmakers"*

Jack Schoenmakers - Director

IC GROUP HOLDINGS INC. (FORMERLY CUSPIS CAPITAL II LTD.)

A Capital Pool Corporation

Condensed Consolidated Interim Statements of (Loss) Income and Comprehensive (Loss) Income

(In Canadian dollars)

(Unaudited)

For the three and six months ended December 31,

	Note	Three months ended December 31,		Six months ended December 31,	
		2024	2023	**2024**	2023
Expenses					
Qualifying transaction	1,12	**$ 93,992**	$ -	**$ 222,573**	$ 4,260
Professional fees		**4,291**	2,998	**17,284**	9,840
Filing costs		**404**	169	**870**	2,316
General and administrative	3	**36**	49	**91**	73
		98,723	3,216	**240,818**	16,489
Loss for the period before the undernoted		**(98,723)**	(3,216)	**(240,818)**	(16,489)
Interest income	5	**10,103**	21,385	**27,775**	39,283
Net (loss) income and comprehensive (loss) income for the period		**$ (88,620)**	$ 18,169	**$ (213,043)**	$ 22,794
Loss per share					
Basic and diluted	4,8	**(0.01)**	0.00	**(0.02)**	0.00
Weighted average number of shares outstanding [1]					
Basic and diluted	4,8	**7,500,000**	7,500,000	**7,500,000**	7,500,000

[1] For the periods presented, the weighted average number of shares outstanding excludes 5,000,000 escrowed shares.

IC GROUP HOLDINGS INC. (FORMERLY CUSPIS CAPITAL II LTD.)

A Capital Pool Corporation

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

(In Canadian dollars)

(Unaudited)

	Shares Issued #	Share Capital $	Share-based Payment Reserve $	Deficit $	Total Shareholders' Equity $
Balance, as at June 30, 2023	12,500,000	1,721,279	186,071	(306,314)	1,601,036
Net income for the period	-	-	-	22,794	22,794
Balance, as at December 31, 2023	**12,500,000**	**1,721,279**	**186,071**	**(283,520)**	**1,623,830**
Balance, as at June 30, 2024	**12,500,000**	**1,721,279**	**186,071**	**(418,333)**	**1,489,017**
Net loss for the period	-	-	-	(213,043)	(213,043)
Balance, as at December 31, 2024	**12,500,000**	**1,721,279**	**186,071**	**(631,376)**	**1,275,974**

IC GROUP HOLDINGS INC. (FORMERLY CUSPIS CAPITAL II LTD.)

A Capital Pool Corporation

Condensed Consolidated Interim Statements of Cash Flows

(In Canadian dollars)

(Unaudited)

For the six months ended December 31,

	Note	**2024**	2023
Cash flows from operating activities			
Net (loss) income for the period		**$ (213,043)**	$ 22,794
Change in non-cash operating assets and liabilities			
Prepaid expenses and deposits	6	**367**	339
Accounts payable and accrued liabilities		**(67,315)**	(19,892)
Accrued interest income	5	**(23,107)**	(39,283)
Cash used in operating activities		**(303,098)**	(36,042)
Investing activities			
Short-term investments redemption	5	**1,740,480**	1,593,000
Interest received on maturity of investment	5	**72,489**	63,570
Short-term investments purchase	5	**(1,512,418)**	(1,620,480)
Cash provided by investing activities		**300,551**	36,090
(Decrease) increase in cash		**(2,547)**	48
Cash, beginning of period		**6,381**	275
Cash, end of period		**$ 3,834**	$ 323

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

1. Nature of operations and going concern

IC Group Holdings Inc. (formerly Cuspis Capital II Ltd.) (the "Company" or "IC Group Holdings") was incorporated September 3, 2019, pursuant to the provisions of the Business Corporations Act (Ontario). The Company's registered head office is located at 77 King Street West, Suite 700, Toronto, Ontario, Canada M5K 1G8 and its corporate and tax year-end is June 30. The Company's shares are listed for trading on the TSX Venture Exchange under the symbol "CCII.P".

As at December 31, 2024, the Company was carrying 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 ("CPC Policy 2.4") and had no business operations. The Company's principal purpose was 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, in its efforts to complete a Qualifying Transaction.

Qualifying Transaction

On November 15, 2024, the Company entered into a definitive agreement ("Definitive Agreement") with 11197894 Canada Ltd. ("IC Group") and 16470734 Canada Inc. ("Subco"), a wholly-owned subsidiary of the Company incorporated in Canada on October 24, 2024. The transaction closed on February 20, 2025. For full details, please refer to note 12.

Going concern

These financial statements were prepared on a going-concern basis of accounting, which assumes that the Company will continue operations for the foreseeable future and be able to realize the carrying value of its assets and discharge its liabilities and commitments in the normal course of business. The Company does not generate revenue from operations. However, the Company believes that its working capital of $1,275,974 as at December 31, 2024 will provide the Company with sufficient cash resources to meet its obligations for at least twelve months from the end of the reporting period. As the Company has no revenues, its ability to continue as a going concern is dependent on its ability to complete its Qualifying Transaction (note 12). These financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate. These adjustments could be material.

2. Basis of presentation

Statement of compliance

These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"), using accounting policies consistent with International Financial Reporting Standards ("IFRS").

Accounting policies and methods of their application followed in the preparation of these unaudited condensed consolidated interim financial statements are consistent with those used in the annual audited financial statements for the year ended June 30, 2024, which are available under the Company's profile www.SEDARplus.ca ("SEDAR+").

2. Basis of presentation (continued)

Basis of measurement

These financial statements have been prepared on an historical cost basis and on an accrual basis except for cash flow information. The financial statements are presented in Canadian dollars, which is the Company's functional currency.

Basis of consolidation

These unaudited condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiary, 16470734 Canada Inc. ("Subco"), a wholly-owned subsidiary of IC Group Holdings Inc., incorporated in Canada on October 24, 2024. Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases. The financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of the subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases. All intercompany balances, transactions, revenues and expenses have been eliminated.

These financial statements were authorized for issue by the Board of Directors on March 3, 2025.

3. Cash restriction

There is a restriction on the use of proceeds realized from the sale of all securities issued by the Company as a CPC. The gross proceeds raised from the Offering may only be used to identify and evaluate assets or businesses and obtain shareholder approval for a proposed Qualifying Transaction, with the exception that general and administrative expenses are capped at $3,000 per month, including for professional accounting, advisory, and legal services expenses, and are not time limited.

4. Share capital

Authorized

Unlimited common shares with no par value.

Issued

	Number of Common Shares	Amount
Balance as at June 30, 2023, June 30, 2024 and December 31, 2024	**12,500,000**	**$ 1,721,279**

(In Canadian dollars)

4. Share capital (continued)

Seed shares

As at December 31, 2024 and 2023, the Company had a total of 5,000,000 seed common shares issued and outstanding at $0.10 per share.

Initial public offering

On December 11, 2020, the Company completed its initial public offering ("the Offering"), pursuant to which it issued 7,500,000 common shares at $0.20 per share, for aggregate proceeds of $1,500,000.

Stock option plan

The stock option plan ("Option Plan") 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, options to acquire a maximum number of common shares equal to 10% of the total issued and outstanding common shares of the Company, exercisable for a period of up to ten years from the date of grant. The Option Plan was approved by the Board of Directors and adopted by the Company on November 11, 2020.

Stock options

Upon closing of the Offering on December 11, 2020, the Company granted to officers and directors of the Company an aggregate of 1,250,000 stock options exercisable at $0.20 per share for a period of five years. These options vested immediately upon grant and were valued at $186,071 using the Black-Scholes option pricing model based on the following assumptions: expected volatility of 101% based on the average volatility of comparable companies, expected life of five years, expected dividend yield of 0%, risk free rate of 0.25% and a share price of $0.20. The weighted average remaining life of the options outstanding as at December 31, 2024 was 0.95 years.

	Number of stock options issued and exercisable	Weighted average exercise price
Balance as at June 30, 2023, June 30, 2024 and December 31, 2024	**1,250,000**	**$ 0.20**

Shares subject to escrow

Under the CPC Policy rules, all issued and outstanding seed shares are subject to a uniform 18-month escrow release schedule, following the closing of a Qualifying Transaction, and will be released as to 25% on the date of the final Qualifying Transaction Exchange bulletin and an additional 25% on each of the dates that are 6, 12 and 18 months thereafter, pursuant to the terms of the amended and restated Escrow Agreement dated March 23, 2023, between the Company, TSX Trust Company, and the shareholders of the Company. Subject to certain permitted exemptions, all securities of the Company held by principals of the resulting issuer will also be escrowed.

4. Share capital (continued)

Shares subject to escrow (continued)

All common shares acquired on exercise of stock options granted to directors and officers prior to completion of a Qualifying Transaction must also be deposited and held in escrow pursuant to the requirements of the Exchange. 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 and held in escrow.

The seed common shares are considered contingently issuable until the Company completes a Qualifying Transaction and, accordingly, they are not considered to be outstanding shares for purposes of loss per share calculations.

5. Cash and short-term investment

Cash

As at December 31, 2024, the Company had $3,834 in cash held at a Canadian financial institution (June 30, 2024 - $6,381).

Short-term investments

As at June 30, 2024, the Company held $1,500,480 in a one-year fully cashable guaranteed investment certificate ("GIC") with a variable interest rate of the Canadian Imperial Bank of Commerce Prime Rate ("CIBC Prime Rate") minus 2.6% and an effective annual interest rate of 4.6%.

On August 12, 2024, $100,000 was redeemed from the Company's GICs, $4,517 in interest was received, and $40,000 was reinvested in a one-year fully cashable GIC with a variable interest rate of the CIBC Prime Rate minus 2.7% and an effective annual interest rate of 4%. On September 16, 2024, this $40,000 GIC was redeemed and $151 in interest was received.

On October 1, 2024, the balance of the GIC matured and $71,938 in interest was received, and $1,472,418 was reinvested in a one-year fully cashable GIC with a fixed interest rate of 3.5%.

During the quarter ended December 31, 2024, $200,000 was redeemed and $551 in interest was received (Note 12).

Accrued interest on outstanding GICs as at December 31, 2024 totaled $9,552 (June 30, 2024 - $58,934). Interest income recorded during the three and six months ended December 31, 2024 totaled $10,103 and $27,775 respectively (December 31, 2023 - $21,385 and $39,283 respectively).

6. Prepaid expenses and deposits

Prepaid expenses and deposits as at December 31, 2024 totaling $183 (June 30, 2024 – $550) mainly included the Company's annual contracts for SEDAR+ filings and news release dissemination.

(In Canadian dollars)

7. Accounts payable and accrued liabilities

The Company's accounts payable and accrued liabilities consisted of the following:

	December 31, 2024	June 30, 2024
Accounts payable	$ 7,188	$ 58,478
Accrued liabilities	2,825	18,850
Total	$ 10,013	$ 77,328

8. Net income (loss) per share

The net income (loss) per common share was based on the income (loss) attributable to common shareholders and the weighted average number of common shares outstanding. The income (loss) per share calculation does not include escrowed shares as they are contingently returnable.

Diluted income (loss) per share does not include the effect of any share options outstanding as they will be held in escrow until the completion of a Qualifying Transaction.

9. 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.

10. Management of capital

The Company's objectives when managing capital were to safeguard the Company's ability to continue as a going concern and ensure sufficient liquidity in order to remain a CPC and complete its 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 shareholders' equity.

As at December 31, 2024, the Company was not subject to any externally imposed capital requirements other than the cash restriction disclosed in Note 3. There were no significant changes in the Company's approach to capital management during the periods ended December 31, 2024 and June 30, 2024.

11. Financial instruments and risk management

The Company's activities may expose it to a variety of financial risks: fair values, credit risk, liquidity risk and market risk (including interest rate risk). The Board of Directors provides regular guidance for overall risk management.

Fair values

As at December 31, 2024, the Company's financial instruments consisted of cash, short-term investments, 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.

11. Financial instruments and risk management (continued)

Fair values (continued)

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 limitation of the Company's exposure to credit and market risks, and the Company's completion of its Qualifying Transaction.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its obligations. The Company is exposed to credit risk through its cash and short-term investment balances which were held at Canadian financial institutions as at December 31, 2024 and June 30, 2024. 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. Management believes the Company had no significant exposure to interest rate risk through its financial instruments as at December 31, 2024 and June 30, 2024.

A 1% increase (decrease) in the interest rate on the short-term investments as at December 31, 2024 would result in an estimated increase (decrease) in net income (loss) of approximately $12,700 (June 30, 2024 - $15,000).

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities. The Company has a planning and budgeting process in place by which it anticipates and determines the funds required to support normal operation requirements. The Company coordinates this planning and budgeting process with its financing activities through the capital management process described in note 10, in normal circumstances. The Company's accounts payable and accrued liabilities have contractual maturities of less than 30 days and have normal trade terms.

12. Subsequent events

GIC

On February 12, 2025, the Company's GIC principal totaling $1,272,418 was redeemed and $10,423 in interest was received on redemption. The balance of short-term investments as at February 12, 2025 was $Nil.

12. Subsequent events (continued)

Qualifying Transaction closing

The Company's Qualifying Transaction closed on February 20, 2025. Details, as previously news released on February 21, 2025, are as follows:

Subject to the terms and conditions contained in the Definitive Agreement, the Company and IC Group completed an amalgamation to ultimately form the resulting issuer (the "Resulting Issuer") that, upon closing, continued on the business of IC Group (the "Transaction"). The Transaction constituted the Company's Qualifying Transaction, as such term is defined in the policies of the Exchange. Following completion of the Transaction, the Resulting Issuer listed as a Tier 2 Issuer on the Exchange under the ticker symbol "ICGH" and shares commenced trading on February 25, 2025.

The Transaction was completed by way of a three-cornered amalgamation under the federal laws of Canada, whereby Subco and IC Group amalgamated (the "Amalgamation"), and the resulting amalgamated entity survived as a wholly-owned subsidiary of IC Group Holdings Inc.. Each issued and outstanding Class A common share of IC Group (each an "IC Group Share") was exchanged for common shares (the "Resulting Issuer Shares") of the Resulting Issuer on the basis of one Resulting Issuer share for one IC Group Share (the "Exchange Ratio"). In addition, all securities convertible, exercisable or exchangeable into IC Group Shares outstanding at the effective time were exchanged for similar securities of the Resulting Issuer on the basis of the Exchange Ratio.

In connection with the Transaction, the Company issued an aggregate of 29,316,667 Post-Consolidation Common Shares, such that the Transaction resulted in the reverse takeover of the Company by the shareholders of IC Group. After giving effect to the Transaction, there are an aggregate of 33,421,917 Resulting Issuer Shares issued and outstanding (on a non-diluted basis).

Further details of the Transaction are contained in the news releases of the Company dated March 5, 2024, July 29, 2024, November 7, 2024, and November 19, 2024 as well as the filing statement of the Company dated January 31, 2025 (the "Filing Statement") prepared in accordance with the requirements of the TSXV. The Filing Statement is available under the Company's issuer profile on SEDAR+ at www.sedarplus.ca.

<u>Company name change and common share consolidation</u>

Prior to completing the Transaction, the Company effected: (i) a consolidation (the "Consolidation") of its outstanding common shares (the "Common Shares") on the basis of 4.3103448 pre-consolidation Common Shares for every one (1) post-consolidation Common Share (each, a "Post-Consolidation Common Share"), and (ii) a change of the Company's corporate name to "IC Group Holdings Inc.".

12. Subsequent events (continued)

Escrow Agreement

In connection with the Transaction, an aggregate of 22,774,344 Resulting Issuer Shares and 566,508 stock options exercisable for Resulting Issuer Shares were deposited in escrow pursuant to a Tier 2 Value Security Escrow Agreement; an additional Surplus 2,890,442 Resulting Issuer Shares were deposited into an SSRR (Surplus) Escrow Agreement; and 1,160,000 Resulting Issuer Shares were deposited into a CPC Escrow Agreement; all in accordance with the policies of the TSX Venture Exchange. Please see the Filing Statement of the Company for details concerning the terms of the escrowed securities and their release. Please note that the Filing Statement incorrectly identified the number of escrowed securities due to a technical error in calculations.

Advisory agreement amendment

On February 1, 2024, the Company entered into an advisory agreement ("Agreement") with a corporation with certain directors in common with the Company. On January 31, 2025, the Agreement was amended and assigned to a third party that is arms length as of the closing date of the Qualifying Transaction, and now provides for 24 monthly payments of $2,400 plus applicable taxes for corporate finance advisory services upon closing of the Qualifying Transaction.