# Riverwalk Acquisition Corp.

**Unaudited Condensed Interim Financial Statements**

**For the six-month period ended May 31, 2023**

Expressed in Canadian dollars

PREPARED BY MANAGEMENT

## Notice to Reader

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 accompanying unaudited condensed consolidated interim financial statements have been prepared by and are the responsibility of management.

The Company's Independent auditor has not performed a review of these financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of the interim financial statements by an entity's auditor.

# Riverwalk Acquisition Corp.
## Unaudited Interim Statements of Financial Position
(Stated in Canadian Dollars)

| | Note | May 31, 2023 | November 30, 2022 |
|---|---|---|---|
| **Assets** | | | |
| **Current Assets** | | | |
| Cash | | $ 234,014 | $ 274,463 |
| GST recoverable | | 2,024 | 2,232 |
| **Total Assets** | | **$ 236,038** | **$ 276,695** |
| **Liabilities** | | | |
| **Current Liabilities** | | | |
| Trade and other payables | 6 | $ 3,834 | $ 8,500 |
| **Total Liabilities** | | 3,834 | 8,500 |
| **Equity** | | | |
| Share capital | 4 | 366,162 | 366,162 |
| Share-based payments reserve | 4 | 23,500 | 23,500 |
| Deficit | | (157,458) | (121,467) |
| **Total Equity (Deficit)** | | 232,204 | 268,195 |
| **Total Liabilities and Shareholders' Equity** | | **$ 236,038** | **$ 276,695** |
| **Nature and continuance of operations** | 1 | | |

**SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:**

| | |
|---|---|
| ***"Vincent Wong"*** | ***"Warren Jung"*** |
| Director | Director |



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

# Riverwalk Acquisition Corp.
## Unaudited Interim Statements of Net Loss and Comprehensive Loss
(Stated in Canadian Dollars)

| | Note | Three month period ended May 31, 2023 | Three month period ended May 31, 2022 | Six month period ended May 31, 2023 | Six month period ended May 31, 2022 |
|---|---|---|---|---|---|
| **Expenses** | | | | | |
| Accounting and audit | 6 | $ 5,809 | $ 8,393 | $ 10,710 | $ 13,393 |
| Annual general meeting | | 5,409 | - | 5,409 | - |
| Bank charges and interest | | 74 | 41 | 97 | 118 |
| Corporate development | | 1,739 | 1,809 | 1,739 | 1,809 |
| Legal | | 655 | 7,765 | 1,201 | 8,210 |
| Office expense | | 5,414 | 2,809 | 9,014 | 6,103 |
| Transfer agent and filing fees | | 5,792 | 3,904 | 7,821 | 3,904 |
| **Net loss and comprehensive loss** | | **$ (24,892)** | **$ (24,721)** | **$ (35,991)** | **$ (33,537)** |
| **Income (loss) per share:** | | | | | |
| Basic and diluted | | $ (0.01) | $ (0.01) | $ (0.01) | $ (0.01) |
| **Weighed average number of common shares outstanding** | | | | | |
| Basic and diluted | | 6,800,001 | 3,800,001 | 6,800,001 | 3,613,334 |



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## Riverwalk Acquisition Corp.
### Unaudited Interim Statements of Changes in Equity
(Stated in Canadian Dollars)

| | Note | Share Capital: Number of Shares | Share Capital: Amount | Reserves | Deficit | Total Shareholders' Equity |
|---|---|---|---|---|---|---|
| **Balance at February 25, 2021** | | - | $ - | $ - | $ - | $ - |
| Common shares issued - private placement | 4 | 3,600,001 | 180,000 | - | - | 180,000 |
| Net loss and comprehensive loss | | - | - | - | (17,017) | (17,017) |
| **Balance at November 30, 2021** | | **3,600,001** | **180,000** | - | **(17,017)** | **162,983** |
| Common shares issued - private placement | 4 | 200,000 | 10,000 | - | - | 10,000 |
| Net loss and comprehensive loss | | - | - | - | (33,537) | (33,537) |
| **Balance at May 31, 2022** | | **3,800,001** | **190,000** | **-** | **(50,554)** | **139,446** |
| Common shares issued - IPO | 4 | 3,000,000 | 300,000 | | - | 300,000 |
| Share issuance costs | 4 | - | (123,838) | 23,500 | - | (100,338) |
| Net loss and comprehensive loss | | - | - | - | (70,913) | (70,913) |
| **Balance at November 30, 2022** | | **6,800,001** | **366,162** | **23,500** | **(121,467)** | **268,195** |
| Net loss and comprehensive loss | | - | - | - | (35,991) | (35,991) |
| **Balance at May 31, 2023** | | **6,800,001** | **$ 366,162** | **$ 23,500** | **$ (157,458)** | **$ 232,204** |



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

# Riverwalk Acquisition Corp.
## Unaudited Interim Statements of Cash Flows
(Stated in Canadian Dollars)

| | Six month period ended May 31, 2023 | Six month period ended May 31, 2022 |
|---|---|---|
| **Operating Activities** | | |
| Net loss for the period | $ (35,991) | $ (33,537) |
| **Changes in assets and liabilities** | | |
| GST and other recoverable | 208 | (5,306) |
| Deferred offering costs | - | (50,845) |
| Trade and other payables | (4,666) | (22,261) |
| **Cash used in operating activities** | (40,449) | (111,949) |
| **Financing Activities** | | |
| Issuance of common stock | - | 10,000 |
| Share issuance costs | - | - |
| **Cash provided by financing activities** | **-** | **10,000** |
| **Net change in cash** | (40,449) | (101,949) |
| **Cash, beginning balance** | 274,463 | 164,923 |
| **Cash, ending balance** | **$ 234,014** | **$ 62,974** |

The accompanying notes are an integral part of these financial statements

## 1. Nature and Continuance of Operations

Riverwalk Acquisition Corp. (the "Company") was incorporated on February 25, 2021 pursuant to the Business Corporations Act of British Columbia and is classified as a Capital Pool Company as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4.

As a Capital Pool Company, the Company's principal business is the identification and evaluation of assets, properties or businesses with a view to acquire or participate therein subject, in certain cases, to shareholder approval and acceptance by the TSX-V. Where an acquisition or participation is warranted (the "Qualifying Transaction"), additional funding may be required. The ability of the Company to fund its potential future operations and commitments is dependent upon obtaining additional financing. There is no assurance that the Company will complete a Qualifying Transaction, at which time the TSX-V may suspend or delist the Company's shares from trading.

On June 16, 2022, the Company completed its initial public offering, and on June 20, 2022, the Company's shares commenced trading on the TSX Venture Exchange under the symbol "RAC.P".

These unaudited condensed interim financial statements have been prepared on the basis that the Company will continue as a going concern. The proposed business of the Company and the completion of a Qualifying Transaction involves a high degree of risk and there is no assurance that the Company will identify appropriate assets or a business for acquisition or investment, and even if so identified and warranted, it may not be able to finance such an acquisition nor investment within the requisite time period. Additional funds will be required to enable the Company to pursue such an initiative and the Company may be unable to obtain such financing on terms which are satisfactory to it. Furthermore, there is no assurance that the business will be profitable. These events and conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The head office and principal place of business of the Issuer is located at 478-6647 Fraser Street, Vancouver, BC V5X 0K3 and the registered office of the Issuer is located at 10$^{th}$ Floor, 595 Howe Street, Vancouver, BC V6C 2T5.

## 2. Basis of Preparation

a) Statement of compliance

These unaudited condensed interim financial statements are prepared in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting under International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim financial statements follow the same accounting policies and methods of application as the Company's most recent annual financial statements but do not contain all of the information required for full annual financial statements. Accordingly, these condensed consolidated interim financial statements should be read in conjunction with the Company's most recent annual financial statements, which were prepared in accordance with IFRS as issued by the IASB.

The unaudited consolidated interim financial statements were authorized for issue by the Board of Directors on June 26, 2023.

b) Basis of presentation

These financial statements have been prepared on an accrual basis, except for statement of cash flow information, and are based on historical costs, except for certain financial instruments measured at fair value.

## 3. Summary of Significant Accounting Policies

The accounting policies of the Company are set out in Note 3 to the annual audited financial statements as of and for the year ended November 31, 2022, which are incorporated herein by reference. The reader is referred to those statements for a detailed discussion of the accounting policies.

These unaudited condensed interim financial statements as at and for the six-month period ended May 31, 2023 have been prepared in accordance with the policies described in the annual audited financial statements, which have been applied consistently to these financial statements.

## 4. Shareholders' Equity

a) Authorized and issued share capital:

The Company has authorized an unlimited number of common shares without par value.

During the six-month period ended May 31, 2023, the Company did not issue any common shares.

During the year ended November 30, 2022, the Company issued common shares as follows:

- 200,000 common shares were issued at a price of $0.05 per share for proceeds of $10,000; and
- 3,000,000 common shares were issued at a price of $0.10 per share for total gross proceeds of $300,000 pursuant to the Company's initial public offering. Total offering costs of $175,579, of which $19,850 were incurred in fiscal 2021, were incurred including a cash commission of $30,000 (10% of the gross proceeds), a corporate finance fee of $15,000, and an additional $130,579 of IPO issue costs related to professional fees and filing and listing fees, of which $51,741 was charged to profit and loss and $78,838 was recorded as share issuance costs within the statement of change in equity.

The fair value of the Agent's Options was estimated using the Black-Scholes option pricing model assuming a risk free interest rate of 3.31%, a dividend yield of nil, an expected annual volatility of the Company's share price of 106.21% based on trading volume during the period, a weighted average expected life of 5 years, and a forfeiture rate of 0%. The fair value of Agent's Options was determined to be $23,500. The expected volatility assumption is based on the estimated volatility of early-stage companies trading on the TSX-V. The risk-free interest rate is based on yield curves on the Canadian government zero-coupon bonds or Canadian government treasury bills with a remaining term equal to the stock options' expected life.

3,800,001 common shares issued prior to the initial public offering are held in escrow pursuant to terms of an Escrow Agreement entered into in connection with the Company's Initial Public Offering. Under the Escrow Agreement, 25% of the escrowed common shares will be released from escrow upon completion of a Qualifying Transaction and an additional 25% will be released on the dates 6 months, 12 months and 18 months following the completion of a Qualifying Transaction. At February 28, 2023 and November 30, 2022, 3,800,001 common shares were held in escrow.

## 5. Financial Instruments

The following provides an analysis of the hierarchy under which financial instruments that are measured subsequent to initial recognition at fair value, are grouped into Levels 1 to 3 based on the degree to which fair value is observable:

- Level 1 — Fair value measurements are derived from quoted prices in active markets or identical assets or liabilities;
- Level 2 - Fair value measurements are derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - Fair value measurements are derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

The carrying values of the Company's financial instruments, comprised of cash and trade and other payables, approximate their fair values due to the short-term nature of these financial instruments.

The Company is exposed to various financial risks resulting from its operations. The Company's management manages financial risks. The Company does not enter into financial instrument agreements, including derivative financial instruments, for speculative purposes. The Company's main financial risk exposures and its financial policies are as follows:

a) Credit risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash is exposed to credit risk, with the carrying value being the Company's maximum exposure. The Company's cash consists of funds held at a Canadian chartered bank. Management believes the Company's exposure to credit risk is not material. The Company's management of and exposure to credit risk has not changed materially from that of the comparative period.

b) Market risk
The risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. Management does not believe the Company is exposed to material currency, interest or other price risk.

c) Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company's trade and other payables are all current and due within 90 days of the statement of financial position date. The Company seeks to ensure that it has sufficient capital to meet short term financial obligations after taking into account its operating obligations and cash on hand. The Company's management of and exposure to liquidity risk has not changed materially from that of the comparative period.

(Stated in Canadian Dollars)

## 6. Related Party Transactions

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and directors. Key management personnel compensation during the three and six month periods ended May 31, 2023 and 2022 were as follows:

| | Three month period ended May 31, | | Six month period ended May 31, | |
|---|---|---|---|---|
| | **2023** | **2022** | **2023** | **2022** |
| Professional fees | $ 4,500 | $ 4,500 | $ 9,000 | $ 9,000 |
| | **$ 4,500** | **$ 4,500** | **$ 9,000** | **$ 9,000** |

Professional fees were billed and accrued for services rendered by the Chief Financial Officer during the period. As of May31, 2023, $nil (November 30, 2021 - $3,000) was included in trade and other payables.

## 7. Capital Management

The Company's capital currently consists of total equity, in the amount of $257,096 at February 28, 2023 (November 30, 2022 -$268,195). Its principal source of cash is from the issuance of common shares. The Company's capital management objectives are to safeguard its ability to continue as a going concern and to have sufficient capital to be able to identify, evaluate and then acquire an interest in businesses or assets. The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to $3,000 per month may be used for reasonable general and administrative expenses of the Company. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under the policies of the TSX-V Policy 2.4. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares.