impak Finance

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED APRIL 30, 2020 AND 2019

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of Impak Finance Inc.

Opinion

We have audited the consolidated financial statements of Impak Finance Inc. (the "Entity"), which comprise:

- the consolidated statement of financial position as at April 30, 2020
- the consolidated statement of loss and comprehensive loss for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at April 30, 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis of opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the **"*Auditors' Responsibilities for the Audit of the Financial Statements*"** section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Entity has not yet achieved profitable operations and has an accumulated deficit, and that its current liabilities exceed its current assets. As a result, the Entity depends on its ability to raise financing in order to discharge its commitments and liabilities in the normal course of business.

As stated in Note 1 in the financial statements, these events or conditions, along with other matters as set forth in Note 1 in the financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Entity's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity’s ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity’s financial reporting process.

Auditors’ Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP*

Montréal, Canada

March 16, 2021

*CPA auditor, CA, public accountancy permit No. A133741

IMPAK FINANCE INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT APRIL 30, 2020 AND 2019
(in Canadian dollars)

		2020		2019
ASSETS				
CURRENT				
Cash	$	103,587	$	22,729
Accounts receivable (note 5)		24,548		25,716
Prepaid expenses		7,124		7,034
Total current assets		**135,259**		**55,479**
NON-CURRENT ASSETS:				
Property and equipment (note 6)		6,767		14,125
Right-of-use assets (note 9)		64,673		-
		71,440		**14,125**
Total assets	**$**	**206,699**	**$**	**69,604**
LIABILITIES				
Current liabilities:				
Trade and other payables (note 7)	$	1,138,895	$	799,208
Sales taxes payable (note 8)		120,495		121,289
Deferred income tax		-		13,963
Deferred revenue		22,244		73,840
Deferred grant		12,462		-
Lease liabilities (note 9)		63,443		-
Current portion of long-term debt (note 10)		915,208		628,696
Total current liabilities		**2,272,747**		**1,636,996**
Non-current liabilities:				
Lease liabilities (note 9)		5,700		-
Long-term debt (note 10)		27,538		-
MPK to be issued (note 14)		1,494,722		1,494,722
Total non-current liabilities		**1,527,960**		**1,494,722**
Total liabilities		**3,800,707**		**3,131,718**
EQUITY				
Share capital (note 11 (a))		4,630,001		3,400,666
Equity component of the convertible debentures (note 10)		61,243		61,243
Contributed surplus		573,870		16,654
Deficit		(8,859,122)		(6,540,677)
Total shareholders' deficiency		(3,594,008)		(3,062,114)
Going concern (note 1)				
Commitments (note 20)				
Subsequent event (note 22)				
Total liabilities and equity	$	**206,699**	**$**	**69,604**

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

IMPAK FINANCE INC.

CONSOLIDATED STATEMENT OF LOSS COMPREHENSIVE LOSS
FOR YEARS ENDED APRIL 30, 2020 AND 2019
(In Canadian dollars, except for number of shares)

	2020	2019
REVENUE:		
Sales	$ 582,877	$ -
EXPENSES:		
Research and development	1,031,805	715,171
Sales and marketing	303,277	555,137
Administrative	850,036	1,345,294
Share-based compensation (note 11 (b))	557,216	9,477
Total operating expenses	2,742,334	2,625,079
Loss before undernoted items	(2,159,457)	(2,625,079)
Other items:		
Financial expense (note 12)	161,516	95,296
Financial income	-	(12,629)
Grant income	(7,244)	-
Loss on foreign exchange	18,679	275
Total other items	172,951	82,942
Loss before income taxes	(2,332,408)	(2,708,021)
Deferred income taxes (note 13)	13,963	8,345
Loss and comprehensive loss	**$ (2,318,445)**	**$ (2,699,676)**
Net loss per share:		
Basic and diluted loss per share	$ (0.21)	$ (0.27)
Weighted average number of outstanding common shares	11,261,775	10,072,312

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

IMPAK FINANCE INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED APRIL 30, 2020 AND 2019
(in Canadian dollars)

		2020		2019
Cash provided by (used in)				
OPERATING:				
Net loss	$	(2,318,445)	$	(2,699,676)
Items not involving cash:				
Depreciation of property and equipment (note 6)		11,478		10,337
Depreciation of right-of-use assets (note 9)		59,611		-
Impairment of accounts receivable		25,391		-
Share-based compensation (note 11 (b))		557,216		9,477
Services paid by issuance of shares (note 11 (a))		583,331		6,191
Financial expense		161,516		95,296
Interest paid		(5,306)		-
Deferred grant		(158)		-
Non-monetary marketing expense		-		118,760
Deferred income taxes (note 13)		(13,963)		(8,345)
Net change in non-cash operating items (note 15)		244,238		719,567
		(695,091)		(1,748,393)
FINANCING:				
Proceeds from issuance of common shares (note 11 (a))		595,000		1,159,400
Proceeds from issuance of convertible loan (note10)		30,000		568,613
Proceeds from issuance of promissory note (note 10)		150,000		-
Increase in government loan (note 10)		40,000		-
Increase in shareholders' loan (note 10)		38,500		-
Payments of convertible loan		(5,031)		-
Payments of lease liabilities (note 9)		(68,400)		-
Share issue costs		-		(33,556)
Proceeds from exercise of stock options		-		5,265
		780,069		1,699,722
INVESTING ACTIVITY				
Additions to property and equipment (note 6)		(4,120)		(5,668)
		(4,120)		(5,668)
Net increase (decrease) in cash during the year		80,858		(54,339)
Cash, beginning of the year		22,729		77,068
Cash, end of year	**$**	**103,587**	**$**	**22,729**

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

IMPAK FINANCE INC.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEARS ENDED APRIL 30, 2020 AND 2019
(in Canadian dollars, except number of shares)

	Common shares	Share capital	Equity component of the convertible debentures	Contributed surplus	Deficit	Total
Balance as at April 30, 2018	**8,828,580**	**$ 2,225,987**	**$ -**	**$ -**	**$ (3,796,445)**	**$ (1,570,458)**
Shares issued for services rendered by third parties (note 11 (a))	8,040	6,191	-	-	-	6,191
Shares issued in connection with private placements (note 11 (a))	1,505,707	1,159,400	-	-	-	1,159,400
Share issuance costs	-	-	-	-	(33,556)	(33,556)
Share-based compensation in relation to	-	-	-	11,000	(11,000)	-
Equity component of the convertible loans, net of taxes (note 10)	-	-	61,243	-		61,243
Share-based compensation (note 11 (b))	-	-	-	9,477	-	9,477
Share issued pursuant to stock options exercised during the year	8,100	9,088	-	(3,823)	-	5,265
Net loss and comprehensive loss	-	-	-	-	(2,699,676)	(2,699,676)
Balance as at April 30, 2019	**10,350,427**	**$ 3,400,666**	**$ 61,243**	**$ 16,654**	**$ (6,540,677)**	**$** (3,062,114)

	Common shares	Share capital	Equity component of the convertible debentures	Contributed surplus	Deficit	Total
Balance as at April 30, 2019	**10,350,427**	**$ 3,400,666**	**$ 61,243**	**$ 16,654**	**$ (6,540,677)**	**$ (3,062,114)**
Common shares issued in connection with private placements (note 11 (a))	772,726	595,000	-	-	-	595,000
Common shares issued as settlement for long-term debts (note 11 (a))	66,239	51,004	-	-	-	51,004
Shares issued for services rendered by third parties (note 11 (a))	765,151	583,331	-	-	-	583,331
Share-based compensation (note 11 (b))	-	-	-	557,216	-	557,216
Net loss and comprehensive loss	-	-	-	-	(2,318,445)	(2,318,445)
Balance as at April 30, 2020	**11,954,543**	**$ 4,630,001**	**$ 61,243**	**$ 573,870**	**$ (8,859,122)**	**$ (3,594,008)**

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

INCORPORATION AND BUSINESS ACTIVITIES

Impak Finance Inc. ("Impak Finance" or "Company") was incorporated under the *Canada Business Corporations Act* on May 5, 2016. The Company`s mission is to make money work for positive social, innovative and environmental impact through and online collaborative financial ecosystem powered by disruptive financial technologies developed by the Company and third-party vendors. The company is developing impak.eco an online social network dedicated to the Impact Economy, composed of organizations and individuals that share the belief that economic activity should consider more than just its financial aspects, but also take account the effect it has on people and the planet. The network will be promoted through MPK, a new digital currency that the Company will issue.

The head and principal office of the Company is located at 201 – 5605 de Gaspé Avenue, Montreal, Quebec, Canada H2T 2A4. The Company incorporated its subsidiary Impak Capital Finance Inc. on March 31, 2017. The subsidiary has not yet begun its principal commercial activities.

1. GOING CONCERN

These consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of operations as they come due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period.

The Company had not yet achieved profitable operations, has a net loss of $2,318,445 for the year ended April 30, 2020, a deficit since inception of $8,859,122 and a working capital deficiency of $2,137,488 as at April 30, 2020. The Company expects to incur further losses for the foreseeable future in the development of its business. In addition, the Company is committed to finance the initial cash reserve of approximately $550,000 to be maintained by the MPK Governance Body (see Note 21). The Company completed a new financing subsequent to year-end (see Note 22).

The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due.

There can be no assurance that the Company will be successful or that sufficient funds can be raised in a timely manner and, as a result, these conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

The consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

2. Significant accounting policies

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”). The consolidated financial statements were approved and authorized for issue by the Board of Directors on March 16, 2021.

(a) Basis of measurement:

The consolidated financial statements have been prepared on the historical cost basis, except for share-based compensation arrangements which are measured at fair value at the date of grant, convertible loans which are measured at fair value at the date of issuance and lease liabilities which are measured at the present value of minimum lease liabilities.

(b) Basis of consolidation:

The consolidated financial statements include the financial statements of the Company and its wholly-owned subsidiary, Impak Capital Inc.

All intercompany balances, revenues and expenses are eliminated upon consolidation including unrealized gains and losses on transactions between the Impak Finance's companies.

(c) Functional and presentation currency:

The consolidated financial statements are presented in Canadian dollars. The functional currency of Impak Finance and its subsidiaries is the Canadian dollar.

(d) Basic and diluted loss per share:

The Company presents basic and diluted loss per share for its common shares, calculated by dividing the net loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period.

The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options in the weighted average number of common shares outstanding during the period, if dilutive.

For the years ended April 30, 2020 and 2019, the potentially diluted loss per share was the same as the basic loss per share since the Company incurred loss and that the effect of any stock options and convertible debenture would have been anti-dilutive.

(e) Initial Coin Offering ("ICO"):

The Impak Coins ("MPK") to be issued as part of an ICO completed by the Company (see Note 11) are digital assets and treated as internally developed intangible assets. These will be issued to ICO participants once the impak.eco social network platform is developed, but have no value in the consolidated financial statements of the Company before their issuance. The consideration received in 2018 in payment for the issuance of MPK was accounted for at fair value and will be treated as other income from disposal of cryptoassets in profit or loss and comprehensive loss when control is transferred to the purchaser, which is when the impak.eco platform will be launched and the MPK will be usable, now expected to be by the end of 2022. Any payment received before the control is transferred is accounted for as MPK to be issued in the consolidated statement of financial position.

2. Significant accounting policies (continued)

(f) Income taxes:

The Company applies the liability method of accounting for income taxes. Current tax expense is recognized based on the expected tax payable on the taxable income for the year, using the enacted tax rate at period-end, adjusted for any amendments with regards to previous years.

Deferred income tax assets and liabilities are recognized for the future income tax consequences of temporary differences between the carrying amounts of assets and liabilities and their respective tax bases, and for tax losses carried forward. Deferred income tax assets and liabilities are measured using the substantively enacted tax rates that will be in effect for the year in which the differences are expected to reverse.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the underlying tax loss or deductible temporary differences can be utilized. Deferred tax liabilities are always recognized in full. Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets and liabilities are recognized as a component of tax income or expense in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

(g) Revenues:

Revenues are measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties, if any. The Company recognizes revenue when it transfers control over the good or service to a customer which is at a point in time once the goods are transfered to the customer.

Cash received before the service is rendered and the performance obligation is satisfied is recorded as deferred revenues.

(h) Property and equipment:

Property and equipment are recognized at cost less accumulated depreciation and impairment losses. Depreciation is calculated on their respective estimated useful life using the straight-line method and periods:

Asset	Period
Furniture and fixtures	5 years
Computer equipment	3 years

2. Significant accounting policies (continued)

(h) Property and equipment (continued):

Gains and losses from sale of property and equipment are calculated as the difference between sale price and carrying value at date of sale and are included in general and administrative expenses.

Depreciation methods, residual value estimates and estimated useful lives are reviewed at least annually. Assets are depreciated once they are available for use.

(i) Equity:

Share capital represents the amount received on the issue of shares, less issuance costs, net of any underlying income tax benefit from these issuance costs. If shares are issued when options and warrants are exercised, the share capital account also comprises the compensation costs previously recorded as contributed surplus.

Proceeds from unit placements are allocated proportionately between shares and warrants according to their respective fair values. The fair value of common shares is determined according to the market price of the shares on the issuance date and the fair value of the warrants is determined using the Black-Scholes pricing model.

Contributed surplus includes charges related to the fair value of share options and warrants until such equity instruments are exercised, in which case the amounts are transferred to share capital.

Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date in accordance with IFRS 2. The grant date fair value is recognized in profit or loss over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in profit or loss. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model.

All equity-settled share-based compensation are reflected in contributed surplus until exercised. Upon exercise, shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital. Any consideration paid is adjusted to share capital.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period.

Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

(j) Non-monetary transactions:

The issuance of internally-developed intangible assets (MPK) to consultants or users of the impak.eco platform in exchange for services is a non-monetary transaction accounted for at fair value of the service received or of the asset given up.

2. Significant accounting policies (continued)

(j) Non-monetary transactions (continued):

The Company considers that the average price paid by participants during the ICO is a relevant estimate of the value of MPKs issued in non-monetary transactions since it is based on the most recent transaction with a third party.

(k) Financial instruments

Financial assets and financial liabilities are recognized when the Entity becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows have expired or have been transferred and the Entity has transferred substantially all the risks and rewards of ownership of the transferred asset.

Financial assets and financial liabilities are offset and the net balance is presented in the consolidated statement of financial position when there is an unconditional and legally enforceable right to offset the recognized amounts and an intention either to settle net or to realize the asset and settle the liability simultaneously.

All financial instruments must be measured at fair value on initial recognition. Fair value is based on quoted market prices unless the financial instruments are not traded in an active market. In this case, fair value is determined using valuation techniques such as the Black-Scholes option pricing model or other valuation techniques.

Measurement subsequent to initial recognition depends on the classification of the financial instrument. The Entity has classified its financial instruments into the following categories based on their purpose for which they were acquired and their characteristics.

Category	Financial instrument
Financial assets at amortized cost:	Cash
	Accounts receivable
Financial liabilities at amortized cost:	Trade and other payables
	Long-term debt

Financial liabilities are subsequently measured at amortized cost using the effective interest rate method.

Impairment

The Company uses the prospective model based on expected losses to calculate the impairment of financial assets. The application of the expected loss model requires considerable judgment, including consideration of the impact of changes in economic factors on expected credit losses, which will be determined on a probability weighted basis. At each reporting date, this impairment model is applied to financial assets measured at amortized cost or those measured at fair value through other comprehensive income, with the exception of investments in equity instruments and contractual assets.

2. Significant accounting policies (continued)

(k) Financial instruments (continued)

Impairment losses, if incurred, would be recorded in the Entity's administration expenses in profit or loss, and the carrying amount of the financial asset or group of financial assets would be reduced by an allowance account for credit losses. In periods subsequent to the impairment where the impairment loss has decreased, and such decrease can be related objectively to conditions and changes in factors occurring after the impairment was initially recognized, the previously recognized impairment loss would be reversed in profit or loss. The impairment reversal would be limited to the lesser of the decrease in impairment or the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized, after the reversal.

(l) Government assistance

The Company has applied for financial assistance under available government incentive programs. A government grant is recognized when there is reasonable assurance that it will be received and all related conditions will be complied with. When the government grant relates to an expense item, it is recognized as a reduction of expense over the period necessary to match the government grants.

3. New accounting standards adopted:

IFRS 16 – *Leases*

The Company adopted IFRS 16, *Leases*, on May 1, 2019. IFRS 16 introduced a single, on-balance sheet accounting model for lessees. The Compagny has applied IFRS 16 using the modified retrospective approach on transition. Accordingly, the comparative information presented for 2019 has not been restated, and it is presented, as previously reported, under IAS 17 and related interpretations.

Previously, the Company classified all leases as operating leases and did not recognize assets or liabilities in the statement of financial position because substantially all the risks and rewards incidental to ownership of the leased asset were not transferred. IFRS 16 requires that lessees recognize assets and liabilities for all leases on the statement of financial position, unless the lease term is 12 months or less or the lease for which the underlying asset is of low value.

On adoption of IFRS 16, the Company recognized the lease liabilities for leases that had previously been classified as “operating leases” in accordance with the principles of IAS 17, *Leases*. These obligations have been measured at the present value of the remaining lease payments, discounted using the Company’s incremental borrowing rate as at May 1, 2019. The weighted average incremental borrowing rate applied to lease liabilities as at May 1, 2019 was 15%. The related right-of-use assets were measured in the amount of the lease liabilities as at May 1, 2019, adjusted for the amount of lease incentives recognized in liabilities as at April 30, 2019.

(In Canadian Dollars except if otherwise specified)

3. New accounting standards adopted (continued):

IFRS 16 – *Leases* (continued)

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Adoption of IFRS 16 had the following impact on the financial position as at May 1, 2019:

Right-of-use assets	$ 124,284
Lease liabilities	$ 124,284

* Recognition of operating leases with a remaining lease term of less than 12 months as at May 1, 2019 as short-term leases;
* Exclusion of initial direct costs to measure right-of-use assets;
* Use of hindsight to determine the lease term of a lease with renewal options.

	$
Operating lease commitment at April 30, 2019 as disclosed in the Company's consolidated financial statements	157,500
Discounted using the incremental borrowing rate at May 1, 2019	(33,216)
Lease liabilities recognized at May 1, 2019	124,284

4. Significant accounting estimates and assumptions:

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are included in the following notes:

Note 1 : Going concern

The Company's ability to execute its strategy by funding future working capital requirements requires using estimates and assumptions, which are continually evaluated and are based on historical experience and other factors, such as, expectations of future events that are believed to be reasonable under the circumstances.

4. Significant accounting estimates and assumptions:

Notes 2(e), 13: Cryptoassets

As part of the September 2017 ICO (see Note 11), the Company obtained a prospectus exemption and a dealer registration exemption from the Autorité des Marchés Financiers and other Canadian regulatory authorities in order to issue the MPK from Québec to Canadian and foreign subscribers in accordance with the various legislation applicable in Canada. The process required the preparation of a disclosure document (the Offering Memorandum) prior to issuance, continuous disclosure obligations in Canada after completion of the ICO, and management obligations regarding the MPKs after their issuance.

Sales of MPKs outside Canada must also be made in accordance with the applicable regulatory framework in the subscriber's jurisdiction of residence, and representations to this effect have been obtained from each subscriber residing outside Canada. In that respect, the Company has notably sold MPKs to over a hundred American residents, for a total of $82,406.

Currently, IFRS does not have any specific guidance regarding accounting for digital currencies, including initial coin offerings. The Company’s accounting for the ICO is based on interpretations of existing accounting standards. These interpretations involve judgment and may change if new standards or related guidance are issued in the future.

Finally, the legal and regulatory environment with respect to initial coin offerings and token sales is complex and evolving in Canada and foreign jurisdictions. The Company believes that its ICO was conducted in accordance with compliance with all applicable local laws and regulations. Future legislation or regulations, or amendments to existing regulatory or tax regimes, in Canada or in other foreign jurisdictions could also impose additional requirements and/or costs. Such changes, if any, will be reflected in net earnings in the periods that such determinations are made.

Note 11 (b): Share-based compensation

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted in accordance with IFRS 2. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the share price, expected life of the stock option, volatility and dividend yield and making assumptions about them.

The global pandemic related to an outbreak of COVID-19 has cast additional uncertainty on the assumptions used by management in making its judgements and estimates. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods. Given that the full extent of the impact that COVID-19, including government and/or regulatory responses to the outbreak, will have on the global economy and the Company’s business is uncertain and not predictable at this time, there is a higher level of uncertainty with respect to management’s judgments and estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any, future years affected.

(In Canadian Dollars except if otherwise specified)

5. ACCOUNTS RECEIVABLE:

	2020	2019
	$	$
Trade receivables	24,548	-
Other receivables	-	25,716
	24,548	**25,716**

6. PROPERTY AND EQUIPMENT:

	Furniture and fixtures	Computer equipment	Total
Cost	$	$	$
Balance as at April 30, 2018	4,853	24,715	29,568
Additions	800	4,868	5,668
Balance as of April 30, 2019	5,653	29,583	35,236
Additions	-	4,120	4,120
Balance as of April 30, 2020	**5,653**	**33,703**	**39,355**
Accumulated depreciation			
Balance as at April 30, 2018	1,517	9,257	10,774
Additions	1,078	9,259	10,337
Balance as of April 30, 2019	2,595	18,516	21,111
Additions	1,131	10,347	11,478
Balance as of April 30, 2020	**3,726**	**28,863**	**32,589**
Net carrying amount			
As of April 30, 2019	3,058	11,067	14,125
As of April 30, 2020	1,927	4,840	6,767

7. TRADE AND OTHER PAYABLES:

	2020	2019
	$	**$**
Accounts payable and accrued liabilities	659,948	387,243
Salary payable to management	187,326	60,489
Vacation accrued	50,455	36,400
Payable to an entity controlled by a management member	74,816	84,316
Government remittances	166,350	230,760
	1,138,895	**799,208**

(In Canadian Dollars except if otherwise specified)

8. SALES TAXES PAYABLE:

In May 2019, Finance Canada published draft legislation regarding the GST/HST treatment of transactions involving cryptoassets, which specifies that cryptoassets that do not meet certain criteria are considered (retroactively) as intangible personal property and, consequently, the sales of such cryptoassets are subject to sales tax.

As at April 30, 2020, the Company has GST/HST and QST payable amounting to $130,973 (2019 - $130,973) related to the offering of MPK that occurred as part of the ICO in 2017. The Company also has sales taxes receivable amounting to $10,478 (2019 - $9,684) for GST/HST and QST paid on expenses incurred during the year.

9. LEASE

The Company leases an office space until May 31, 2021. The leases do not specify any restrictions and the leased property cannot be used to secure loans.

The right-of-use assets and lease liabilities recognized by the Company relate to office space.

Right-of-use assets	$
Initial recognition upon adoption of IFRS 16	124,284
Depreciation	(59,611)
Balance as of April 30, 2020	64,673

Lease liabilities	
Lease liabilities on adoption of IFRS 16	124,284
Lease payments	(68,400)
Accretion expense	13,259
Balance as of April 30, 2020	69,143
Current portion	**63,443**
Non-current portion	**5,700**

Contractual undiscounted payments under lease liabilities are as follows:

		April 30, 2020
Wthin one year	$	68,400
1 to 2 years		5,700
Total	$	74,100

(In Canadian Dollars except if otherwise specified)

10. LONG-TERM DEBT

		2020		2019
Convertible loan (1)	$	659,127	$	545,269
Shareholders' loan (2)		104,528		83,427
Promissory note (3)		151,553		-
Government loan (4)		27,538		-
Total long-term debt		942,746		628,696
Current portion of long-term debt		915,208		628,696
Long-term debt		27,538		-

(1) In November 2018, the Company signed a convertible loan agreement for aggregate proceeds of $568,613, of which $440,000 were received from existing shareholders and $128,613 were received from employees of the Company over time through April 30, 2019. The convertible loan including all accrued interest, bears interest of the percent (10%) per annum, compounded monthly and capitalized annually.

The loan is convertible into common shares of the Company at a price of $0.77 per share at the option of the holder or once the Company completes a $2,000,000 equity financing. In the event the Company does not raise a $2,000,000 financing by December 31, 2019, the convertible loan is either repayable to the lenders or convertible at a price per share equal to seventy-five percent (75%) of the convertible price. As at the date of issuance of these consolidated financial statements, the Company did not raise the $2,000,000 equity financing. The lenders did not request the reimbursement of the convertible loan and they did not exercise the conversion option.

The convertible loan is a compound financial instrument and the proceeds of the issuance was allocated between a liability for the loan and an equity component for the conversion feature. The fair value of the debt liability component at inception was $485,062 determined using estimated future cash flows discounted using a market interest rate of 25%. The residual amount of $83,551 representing the value of the conversion option equity component was classified in shareholders' equity, net of tax of $22,308.

The liability component of $485,062 is subsequently stated at amortized cost until extinguished on conversion, early partial conversion or maturity of the loans. The net carrying value is accreted to the principal amount over the estimated term of the convertible loans.

		2020		2019
Carrying amount of the liability component	$	545,269	$	485,062
Interest expense		114,035		60,207
Additions		30,000		-
Conversion into 32,657 common shares		(25,146)		-
Reimbursement		(5,031)		-
Balance as at ended of year	$	659,127	$	545,269

(In Canadian Dollars except if otherwise specified)

10. LONG-TERM DEBT (CONTINUED)

(2) Loans from shareholders at a rate of 10% calculated on the full principal amount and compounded monthly, payable on demand. The interest is payable in common shares of the Company. The loans include interests amounting to $8,459 as of April 30, 2020 ($1,925 as at April 30, 2019).

		2020		2019
Opening balance	$	83,427	$	81,502
Additions		38,500		-
Interest expense		8,459		1,925
Partial settlement through issuance of 33,582 common shares		(25,858)		-
Balance as at ended of year	$	104,528	$	83,427

(3) On March 11, 2020, the Company issued promissory notes to shareholders and members of the management bearing interest at a rate of 10% calculated on the full principal amount and compounded monthly. The promissory notes are reimbursable one year after receipt.

		2020		2019
Opening balance	$	-	$	-
Additions		150,000		-
Interest expense		1,553		-
Balance as at ended of year	$	151,553	$	-

(4) Non-bearing interest loan of $40,000 from the Canadian Small Business Emergency Account, with 25% forgiveness of the loan, up to $10,000, if the loan is reimbursed on or before December 31, 2022. The Company discounted the loan using a market interest rate of 15%.

The Company used the residual value method to allocate the principal amount of the loan between the liability and the deferred grant component. Under this method, the value of the deferred grant component of $12,620 was determined by deducting the fair value of the liability component from the principal amount of the financing. The fair value of the liability component of $27,380 represents the present value of the future principal and interest payments discounted at a rate of 15%. The deferred grant component will be amortized over the period of the loan and it will be accounted as a grant income.

		2020		2019
Opening balance	$	-	$	-
Loan, discounted at 15%		27,380		-
Interest expense		158		-
Balance as at ended of year	$	27,538	$	-

(In Canadian Dollars except if otherwise specified)

11. SHARE CAPITAL:

(a) Common shares:
Authorized, an unlimited number of common shares, voting, participating and without par value:

	Number of shares		Amount $
Balance as at April 30, 2018	**8,828,580**	**$**	**2,225,987**
Private placements	1,505,707		1,159,400
Shares issued for services rendered by third parties	8,040		6,191
Stock options exercised (note 11 (b))	8,100		9,088
Balance as of April 30, 2019	**10,350,427**	**$**	**3,400,666**
Private placements	772,726		595,000
Common shares issued as settlement for long-term debts (note 10)	66,239		51,004
Shares issued for services rendered by third parties	765,151		583,331
Balance as of April 30, 2020	**11,954,543**	**$**	**4,630,001**

During the year ended April 30, 2020 the Company completed a private placement amounting to $595,000, for which the Company issued a total of 772,726 common shares at a price of $0.77.

During the year ended April 30, 2020, the Company also issued 765,151 common shares (2019 - 8,040) in exchange for services valued at $583,331 (2019 - $6,191). The services were evaluated at their estimated fair value, as established by the parties.

During the year ended April 30, 2020, the Company issued 66,239 common shares as a settlements of convertible loans amounting to $25,146 and loans from shareholders amounting to $25,858.

During the year ended April 30, 2019, the Company completed private placements amounting to $1,159,400 for which the Company issued a total of 1,505,707 common shares at prices ranging between $0.77 and $1.00 per common share.

(b) Stock options

The shareholders of the Company approved a share option plan (the "Plan") whereby the Board of Directors may grant to employees, officers, directors and suppliers of the Company stock options to acquire common shares in such numbers, for such terms and at such exercise prices as may be determined by the Board of Directors. The acquisition conditions of share purchase options are without restriction, except for grant of share purchase options to some suppliers, namely investors' relation representatives, which are acquired at 25% each quarter.

The Plan provides that the maximum number of common shares of the Company that may be reserved for issuance under the Plan shall not be greater than 10% of the issued shares of the Company being outstanding from time to time. These options are non-assignable and non-transferable unless by legacy or inheritance and will expire no later than five years after being granted. In the case an optionee leaves the Company, his options expire immediately following his departure, subject to the conditions established under the common share purchase option plan.

The vesting period of the share purchase options varies from immediate up to 36 months, and the life of such options varies from two to five years.

(In Canadian Dollars except if otherwise specified)

11. SHARE CAPITAL (CONTINUED):

(b) Stock options (continued)

Share-based payments to employees, officers, directors and consultants

			2020			**2019**
	Options		Weighted average exercice price	Options		Weighted average exercice price
Outstanding, beginning of year	493,383	$	0.10	-	$	-
Granted	1,388,028		0.05	539,683		0.15
Exercised	-		-	(8,100)		0.65
Forfeited	-		-	(38,200)		0.65
Outstanding, end of year	1,881,411	$	0.06	493,383	$	0.10
Exercisable, end of year	173,984	$	0.11	14,285	$	-

During the year ended April 30, 2019, 8,100 stock options were exercised at an exercise price of $0.65. Following these exercises, the Company received an aggregate amount of $5,265 and issued a total of 8,100 common shares.

The fair value of stock options granted in accordance with the plan to employees, officers, directors and consultants was estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

		2020		**2019**
Share price on grant date	$	0.77	$	0.77
Weighted average exercise price	$	0.05	$	0.15
Weighted average expected life of options		5 years		3 years
Weighted average expected volatility rate		69.00%		69.00%
Weighted average risk-free interest rate		1.53%		1.55%
Expected annual dividend rate		0.00%		0.00%

For the year ended April 30, 2020, the Company recorded share-based compensation expenses of $557,216 related to these options (2019 - $9,477), of which $336,565 were attributed to key management personnel (2019 - nil). The fair value of stock options granted to employees and subcontractors working in research and development amounted to $220,210 (2019 - $9,477), in sales and marketing amounted to $176,933 (2019 - nil) and in general and administrative amounted to $160,073 (2019 - nil) according to the functions occupied by the employees and subcontractors.

For the year ended April 30, 2020, the Company also recorded nil of share-based compensation as equity financing costs in relation to the private placements completed during the year (2019 - $11,000).

(In Canadian Dollars except if otherwise specified)

12. FINANCIAL EXPENSE:

		2020		**2019**
Interest expense related to convertible loan	$	114,035	$	60,207
Interest expense related to sales taxes payable		19,604		33,163
Interest expenses related to shareholders' loans		8,459		-
Interest expenses related to promissory notes		1,553		-
Interest expenses related to loan		158		-
Interest related to lease liabilities		13,259		-
Other		4,448		1,926
	$	161,516	$	95,296

13. INCOME TAXES:

The income tax expense attributable to earnings differs from the amounts computed by applying the combined federal and provincial income tax rate of 26.60% (2019 - 26.70%) to earnings before income taxes as a result of the following:

		2020		**2019**
Loss before income taxes	$	(2,332,408)		(2,708,021)
Expected income tax recovery		(620,420)		(720,813)
Non-deductible expenses		167,345		76,308
Difference in tax rate		5,372		2,944
Unrecognized tax assets		461,666		649,906
Income tax recovery	$	13,963	$	8,345

Movements in temporary differences during the years ended April 30, 2020 and April 30, 2019 are detailed as follows:

Deferred income tax assets		Balance as at April 30, 2019		Recognized in profit or loss		Balance as at April 30, 2020
Right-of-use assets	$	-	$	17,203	$	17,203
Operating losses		-		1,189	$	1,189
	$	-	$	18,392	$	18,392
Deferred income tax liabilities						
Lease liabilities	$	-	-$	18,392	-$	18,392
Long-term debt		(13,963)		13,963	$	-
		(13,963)		(4,429)		(18,392)
		(13,963)		13,963		-

As at April 30, 2020, deductible timing differences for which the Company has not recognized deferred tax assets are as follows:

		Federal		**Provincial**
Share issue costs	$	60,915	$	60,915
Non-capital losses		7,108,731		7,098,832
Income tax recovery	$	7,169,646	$	7,159,747

(In Canadian Dollars except if otherwise specified)

13. INCOME TAXES (CONTINUED):

The ability to realize the tax benefits is dependent upon a number of factors, including the future profitability of operations. Deferred tax assets are recognized in respect of tax losses and other temporary differences giving rise to deferred tax assets only to the extent that it is probable that sufficient taxable profits will be available to allow the asset to be recovered. Accordingly, deferred tax assets have not been recognized.

The Company has the following non-capital losses which are available to reduce income taxes in future periods:

Year of expiry	Federal	Provincial
2032	$ 995,838	$ 985,939
2033	1,948,232	1,948,232
2034	2,437,624	2,437,624
2035	1,727,037	1,727,037
Total non-capital losses	$ 7,108,731	$ 7,098,832

14. MPK TO BE ISSUED:

	Number of tokens (MPK) to be issued	Amount
Balance as at April 30, 2018	1,732,255	$ 1,375,962
MPK rewards to develop Impak ecosystem - earned	141,890	118,760
Balance as at April 30, 2019 and April 30, 2020	1,874,145	$ 1,494,722

In September 2017, the Company sold to participants the right to receive MPK when the Impak.eco platform will be launched and the tokens will be issued. The MPK cryptoasset is built on blockchain technology. It will be centrally governed by the MPK Governance Body to be established and initially funded by the Company (see Note 20). The MPK is meant to fuel the green, socially responsible and the local economies all around the globe. Anyone using the network will be validated during a mandatory onboarding process in order to truly have a community that shares the Company's values.

Unlike most cryptoassets, the MPK will not be traded on exchanges (markets), but rather on a dedicated market to be developed and managed by the Company, and at a pre-established price point. This way, the MPK will be stable in value, contrary to the usual offer and demand models.

The MPK does not provide any ownership right in respect of the Company or its assets. MPK holders will have no rights to participate in the profits or the distribution of assets of the Company, nor will have the right to vote in any security holders' meeting of the Company.

During the ICO, the consideration received in payment for the MPKs to be issued amounted to $1,375,962 and will be recognized as other income from disposal of cryptoassets in the consolidated statements of loss and comprehensive loss when the Impak.eco platform will be launched and the MPK will be usable, which is now expected to be by the end of 2022. At the time of the ICO, the Company expected to finalize the Impak.eco platform and to issue the MPK within 12 months. As such, the Company concluded that no significant financing component was included in the consideration received from participants.

As at April 30, 2020 and 2019, the consideration received from the ICO was accounted for as MPK to be issued in the consolidated statements of financial position.

(In Canadian Dollars except if otherwise specified)

14. MPK TO BE ISSUED (CONTINUED):

MPK rewards to develop Impak ecosystem - earned

The Company also credits MPK to users for actions promoting the usage of the MPK, such as referring other users or impact businesses to the ecosystem. When the reference leads to a new users or a new business to the ecosystem, MPK are credited as a reward.

During the year ended April 30, 2020, the Company credited nil MPK (2019 - 141,890 MPK) to users of the Impak ecosystem in exchange of promoting the ecosystem by inviting other users to join the ecosystem or referring impact businesses, as this promotion has been suspended at the end of the year ended April 30, 2019.

15. SUPPLEMENTAL INFORMATION ON STATEMENT OF CASH FLOWS:

	For the year ended ended April 30	
	2020	**2019**
Net changes in non-cash operating items:	$	$
Accounts receivable	(24,223)	(1,603)
Prepaid expenses	(90)	6,490
Trade and other payables	320,941	551,720
Sales taxes payable	(794)	89,120
Deferred revenue	(51,596)	73,840
	244,238	**719,567**

16. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT:

The Company is exposed to various financial risks resulting from both its operations and its investing activities. The Company's management monitors financial risks. The Company does not enter in financial instrument agreements including derivative financial instruments for speculative purposes.

The Company's main financial risk exposure and its financial risk management policies are as follows:

(a) Liquidity risk:

Liquidity risk is the risk of the Company not being able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its working capital ratio. It also manages liquidity risk by continuously monitoring actual and projected cash flows. The Board of Directors reviews and approves the Company's operating and capital budgets.

As of April 30, 2020, the Company had cash of $103,587, mainly coming from private placements. In order to maintain or adjust its capital structure, the Company may be required to issue new shares or raise debt (see Note 1).

Contractual maturities of financial liabilities (including capital and interest) are as follows:

	Carrying amount	Contractual cashflows	0 to 12 months	More than 12 months
Trade and other payables	$ 1,138,895	$ 1,138,895	$ 1,138,895	$ -
Long-term debt	942,746	955,208	915,208	40,000
	$ 2,081,641	**$ 2,094,103**	**$ 2,054,102**	**$ 40,000**

(In Canadian Dollars except if otherwise specified)

16. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED):

(b) Fair value

The Company has determined that the fair value of its current financial assets and liabilities measured at amortized cost approximate their carrying amounts as at financial position date because of their short-term maturity. The fair value of long-term debt also approximates its carrying value.

(c) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's cash and accounts receivable and the carrying amount of these financial assets represents the Company's maximum exposure to credit risk as at the date of the consolidated financial statements. The credit risk on cash and cash equivalents is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies and the Government of Canada.

Credit risk related to accounts receivable arises from the possibility that the clients to which the Company provides services to may experience financial difficulties and be unable to fulfil their obligations. The Company deals with creditworthy counterparties to mitigate the risk of financial loss from defaults.

17. CAPITAL DISCLOSURES

The Company's objective when managing its capital is to ensure sufficient equity financing to fund its mission to build an enterprise that will make money work for positive social and environmental impact through an online collaborative financial ecosystem. The capital which the Company raises will be used to fund its operations, technology infrastructure, and staffing and product design. The Company considers convertible loans and shareholders' equity as capital. Through the ongoing management of its capital, the Company will modify the structure of its capital based on changing economic conditions. In doing so, the Company may issue new loans and/or shares. Annual budgeting is the primary tool used to manage the Company's capital. Updates are made as necessary to both capital expenditure and operational budgets in order to adapt to changes in risk factors proposed expenditure programs and market conditions.

18. RELATED PARTY TRANSACTIONS:

The following table summarized the information on related party transactions during the year ended:

		2020		2019
Fees to an entity controlled by a management member	$	104,278	$	102,776

These transactions were carried out in the ordinary course of business and were measured at the exchange amount established and agreed to by the parties.

Key management personnel are defined as members of the Board of Directors and the principal officers of the Company.

Key management personnel compensation was as follows for the year ended:

		2020		2019
Short-term benefits	$	379,671	$	483,365
Share-based payments	$	609,421	$	164,357

19. ADDITIONAL INFORMATION ON THE NATURE OF EARNINGS COMPONENTS:

Employee benefits:

Expenses recognized for employee benefits are analyzed below:

		2020		2019
Salaries	$	848,189	$	1,502,863
Fringe benefits costs		61,849		153,730
Subcontractors		948,779		381,887
	$	1,858,817	$	2,038,480

20. COMMITMENTS

Cash reserve:

In order to ensure a floor value for the MPK, the MPK Governance Body will maintain a cash reserve equal to 40% of the proceeds from the ICO in Year 1 and 30% in Year 2. This cash reserve will be initially be financed by the Company once the MPK are issued. Based on the proceeds from the ICO, the initial cash reserve will amount to approximately $550,000.

21. SEGMENT DISCLOSURE

The Company currently operates in a single segment: commercialization of activities related to the Impact Economy, including the measurement and scoring of environmental and social impact of businesses. All of the Company's revenues and non-current assets are from activities conducted in Canada.

22. SUBSEQUENT EVENT

On December 7, 2020, the Company closed a Simple Agreement for Future Equity ("SAFE") amounting to $1,924,811 consisting of $1,581,529 in cash, the conversion of $298,458 of the convertible loan and the conversion of $44,824 of trade payables. The number of common shares to be issued is contingent on certain events yet to occur, as explained below.

In the event the Company closes an equity financing before December 31, 2021 and that the total revenues for the fiscal year ended April 30, 2021 are higher than $1,000,000, the common shares will be issued at the lower of (i) 80% of the price per common share issued in the equity financing or (ii) 0.67 Euros per common share.

In the event the Company closes an equity financing before June 30, 2021 and that the total revenues for the fiscal year ended April 30, 2021 are lower than $1,000,000, the common shares will be issued at the lower of (i) 75% of the price per common share issued in the equity financing or (ii) 0.6259 Euros per common share.

The common share will be issued at a price of 0.50 Euro if the Company does not complete an equity financing of €1,000,000 before December 31, 2021.