YESTERPAY HOLDINGS INC.

Financial Statements

Year Ended December 31, 2018

Management's Responsibility for Financial Reporting

To the Shareholders of Yesterpay Holdings Inc.:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board is responsible for overseeing management in the performance of its financial reporting responsibilities. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Company's external auditors.

Sihota Taylor Chartered Professional Accountants is appointed by the shareholders to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

"C. Gerry Wawzonek"
Director

"Natalie K. Wawzonek"
Director

April 29, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Yesterpay Holdings Inc.

Opinion
We have audited the financial statements of Yesterpay Holdings Inc. (the “Company”), which comprise the statement of financial position as at December 31, 2018, and the statements of income and comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (“IFRS”).

Basis for Opinion
We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company 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.

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 IFRS, 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's 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 auditor's 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 these 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Company 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.

We 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.

Sihota Taylor

April 29, 2019
Calgary, Canada

Chartered Professional Accountants

YESTERPAY HOLDINGS INC.
Statement of Financial Position
December 31, 2018

		2018		2017
ASSETS				
CURRENT				
Cash	**$**	**495,945**	$	54,968
DUE FROM RELATED PARTY *(Note 4)*		**4,527,066**		3,732,353
	$	**5,023,011**	$	3,787,321
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT				
Accounts payable and accrued liabilities	**$**	**36,349**	$	109,150
Current portion of Bonds *(Note 6)*		**2,232,088**		599,157
		2,268,437		708,307
BONDS *(Note 6)*		**2,753,574**		3,078,014
		5,022,011		3,786,321
SHAREHOLDERS' EQUITY				
Share capital *(Note 7)*		**1,000**		1,000
Retained earnings		**-**		-
	$	**5,023,011**	$	3,787,321

COMMITMENTS *(Note 8)*

SUBSEQUENT EVENT *(Note 12)*

Approved on behalf of the Board of Directors by:

"C. Gerry Wawzonek" *Director*

"Natalie K. Wawzonek" *Director*

See notes to financial statements

YESTERPAY HOLDINGS INC.

Statement of Income and Comprehensive Income

Year Ended December 31, 2018

	2018	2017
REVENUE		
Interest income *(Note 4)*	**$ 358,926**	$ 248,306
Loan commitment fee *(Note 4)*	**460,193**	531,160
	819,119	779,466
EXPENSES		
Advertising and promotion	**24,386**	9,578
Interest and bank charges	**15,138**	42,336
Broker commissions	**144,513**	142,742
Finance fees	**23,981**	18,860
Insurance	**8,331**	-
Interest on Bonds	**358,926**	248,306
Investor relations	**10,220**	11,256
Office	**5,427**	-
Professional fees	**72,403**	215,504
Sub-contracts	**128,848**	82,251
Travel	**26,946**	8,633
	819,119	779,466
NET INCOME AND COMPREHENSIVE INCOME FOR THE YEAR	**$ -**	$ -

See notes to financial statements

YESTERPAY HOLDINGS INC.

Statement of Changes in Shareholders' Equity

Year Ended December 31, 2018

	Share capital	Retained earnings	Total Shareholders' equity
Balance, December 31, 2016	$ 1,000	$ -	$ 1,000
Balance, December 31, 2017	1,000	-	1,000
Balance, December 31, 2018	**$ 1,000**	$ -	**$ 1,000**

See notes to financial statements

YESTERPAY HOLDINGS INC.
Statement of Cash Flows
Year Ended December 31, 2018

	2018	2017
OPERATING ACTIVITIES		
Net income	$ -	$ -
Changes in non-cash working capital:		
Accounts payable and accrued liabilities	(72,801)	15,489
Investor advances in processing	-	(35,000)
Cash flow used by operating activities	(72,801)	(19,511)
INVESTING ACTIVITY		
Funds due from related party	(794,713)	(1,484,713)
FINANCING ACTIVITY		
Proceeds from issuance of Bonds, net of redemptions, plus capitalized interest	1,308,491	1,552,569
INCREASE IN CASH FLOW	440,977	48,345
Cash - beginning of year	54,968	6,623
CASH - END OF YEAR	$ 495,945	$ 54,968

See notes to financial statements

1. DESCRIPTION OF BUSINESS

Yesterpay Holdings Inc. (the "Company") was incorporated pursuant to the provisions of the Business Corporations Act (Alberta) on November 7, 2012. The Company was formed to raise funds pursuant to an offering memorandum, which has been amended and updated from time to time as required (the "Offering" - Note 6) for the purposes of loaning the available funds to Capital Now Inc. ("CNI"), an entity related to the Company by common officers, directors and shareholders. The proceeds of the Offering will be loaned to CNI as working capital for the purchase of factored accounts receivables.

The proposed business of the Company relies on the success of the Offering which involves a high degree of risk and there is no assurance that it will be able to raise the funds necessary to finance its activities.

The address of the registered office of the Company is 900, 517 10th Ave SW, Calgary, Alberta.

2. BASIS OF PRESENTATION

a) Statement of compliance:

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

The financial statements were approved by the Board of Directors on April 29, 2019.

Certain comparative figures have been reclassified to conform to the current year's presentation.

b) Basis of measurement:

The financial statements have been prepared on the historical cost basis.

c) Functional and presentation currency:

The financial statements are presented in Canadian dollars, which is the Company’s functional currency.

d) Use of estimates and judgments:

The preparation of 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. Estimates and judgments are evaluated and are based on managements’ experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual results could differ from these estimates. By their very nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of future periods could be material. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant estimates and judgments made by management in the preparation of the financial statements are as follows:

i) Fair value of financial instruments

The estimated fair value of financial assets and liabilities, by their very nature, are subject to measurement uncertainty.

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2. BASIS OF PRESENTATION *(continued)*

ii) Taxes

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Further, tax interpretations, regulations and legislation are subject to change. As such, income taxes are subject to measurement uncertainty.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Financial Instruments

On January 1, 2018, the Company adopted IFRS 9, *Financial Instruments*, which supercedes IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 includes revised guidance on the classification and measurement of financial assets and liabilities, new guidance for measuring impairment of financial assets, and new hedge accounting guidance. The Company applied IFRS 9 on a retrospective basis and was not required to restate prior periods as the adoption of IFRS 9 did not impact the carrying value of any financial asset or financial liability on the transition date.

Under IFRS 9, on initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at amortized cost, fair value through other comprehensive income (“FVOCI”), or fair value through profit or loss (“FVTPL”). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL.

Under IFRS 9, on initial recognition, financial liabilities are recognized at fair value and are subsequently designated as either fair value through profit or loss, or other financial liabilities. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Other financial liabilities are carried on the statement of financial position at amortized cost.

Transaction costs associated with financial assets and financial liabilities are generally included in the initial carrying amount of the asset or liability; however, as indicated in Note 4, the Company does not have transaction costs that are not reimbursed by a related party.

The Company completed an assessment of its financial instruments as at January 1, 2018. The following table shows the new classification under IFRS 9 and the original classification under IAS 39:

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3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

	New (IFRS 9)	Original (IAS 39)
Financial assets:		
Cash	Amortized cost	Loans and receivables (Amortized cost)
Due from related party	Amortized cost	Loans and receivables (Amortized cost)
Financial liabilities:		
Accounts payable and accrued liabilities	Amortized cost	Other financial liability (Amortized cost)
Bonds	Amortized cost	Other financial liability (Amortized cost)

Impairment of financial assets:

IFRS 9 replaces the incurred loss model in IAS 39 with an expected credit loss (ECL) model. This applies to financial assets classified at amortized cost. Under IFRS 9, credit losses are recognized earlier than under IAS 39. This change did not have an impact on the Company's financial statements.

b) Cash

Cash consists of bank balances.

c) Share capital

Class A preferred shares are classified as equity. Incremental costs directly attributable to the issue of Class A preferred shares are recognized as a deduction from equity, net of any tax effects.

d) Revenue recognition

Interest income and loan commitment fee income are recognized pursuant to a loan agreement with CNI as described in Note 4.

e) Income tax

Income tax expense comprises current and deferred tax. Current and deferred taxes are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to the tax payable in respect of previous years.

Deferred tax is recognized on the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

f) Provisions and contingent liabilities

Provisions are recognized when there is a present legal or constructive obligation arising as a result of a past event for which it is probable that an outflow of economic benefits will be required to settle the obligation and where a reliable estimate can be made of the amount of the obligation. Timing or exact amount of the outflow may still be uncertain. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the possibility of outflow of resources is remote.

g) Future accounting policies, standards and interpretations

IFRIC 23 *Uncertainty over Income Tax Treatments* provides guidance on the recognition and measurement of uncertain income tax treatments. The effective date for IFRIC 23 is January 1, 2019. The Company is in the process of evaluating the impact of this interpretation.

4. RELATED PARTY TRANSACTIONS

The Company is related to CNI by common officers, directors and shareholders.

Pursuant to a loan agreement (the "CNI Agreement") entered into between the Company and CNI on October 31, 2014 and amended thereafter, the Company has agreed to lend up to $15,000,000 to CNI. Funds raised pursuant to the Offering will be loaned to CNI on the following terms:

a) the interest charged on the loan is equal to the amount that the Company pays in interest on Bonds issued and outstanding in a year;

b) the CNI Agreement states that CNI is required to pay the Company, as a loan commitment fee, a sum equal to all reasonable charges, fees, commissions and costs incurred by the Company in connection with any offering of securities undertaken by the Company to raise funds for the purposes of loaning money to CNI. Amounts owing from CNI that relate to the loan commitment fee are non-interest bearing;

c) the loans are secured by way of a general security agreement securing all present and after-acquired personal property of CNI in favour of the Company.

The loan has no set terms of repayment. Advances to CNI, net of amounts repaid by CNI for Bonds that have matured in the year, amounted to $794,713 (2017 - $1,484,713) for the year ended December 31, 2018 with a balance due at December 31, 2018 of $4,527,066 (2017 - $3,732,353).

The Company recognized $460,193 (2017 - $531,160) as loan commitment fee revenue and $358,926 (2017 - $248,306) in interest income from CNI.

The related party transactions are in the normal course of operations and have been valued at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

5. CREDIT FACILITY

The credit facility available to the Company consists of a $1,500,000 demand revolving operating line of credit bearing interest at the bank's prime rate plus 1.5% per annum or 4.2%, whichever rate is greater. The credit facility is shared with CNI and is secured by a general security agreement over the assets of the Company and those of CNI and by a personal guarantee provided by the shareholders of CNI.

At December 31, 2018 $Nil (2017 - $Nil) of the operating line of credit was utilized by the Company.

The credit facility is subject to a covenant whereby a total cash flow coverage ratio of 1.25:1 for CNI is to be maintained. The credit facility is subject to a second covenant whereby a current ratio of 1.50:1 for CNI is to be maintained. CNI was not in violation of either covenant at December 31, 2018 or December 31, 2017.

6. BONDS

	2018	2017
Series A Bonds, mature thee years from date of issuance, simple interest at a rate of 8% per annum, payable on the last day of each month during the term.	**$ 128,000**	$ 243,000
Series B Bonds, mature three years from date of issuance, interest at a rate of 8% per annum, compounded monthly and payable on maturity.	**16,970**	186,257
Series C Bonds, mature one year from date of issuance, simple interest at a rate of 6.5% per annum, payable on the last day of each month during the term.	**494,300**	305,900
Series D Bonds, mature two years from date of issuance, simple interest at a rate of 7.5% per annum, payable on the last day of each month during the term.	**367,600**	229,800
Series E Bonds, mature three years from date of issuance, simple interest at a rate of 8.5% per annum, payable on the last day of each month during the term.	**2,904,900**	2,195,729
Series F Bonds, mature three years from date of issuance, interest at a rate of 8.5% per annum, compounded monthly and payable on maturity.	**1,073,892**	516,485
	4,985,662	3,677,171
Amounts payable within one year	**(2,232,088)**	(599,157)
	$ 2,753,574	$ 3,078,014

(continues)

6. BONDS *(continued)*

Principal repayment terms are approximately:

2019	$ 2,232,088
2020	1,532,828
2021	1,220,746
	$ 4,985,662

Pursuant to the Offering the Company is offering unsecured Bonds (the "Bonds"), to an aggregate maximum of $15,000,000. The Company may, in the future, amend or otherwise update the Offering in order to offer one or more additional series of Bonds. The proceeds of the Offering will be loaned to CNI as working capital for the purchase of factored accounts receivables.

During the year ended December 31, 2018 the Company issued $1,846,600 (2017 - $1,864,172) in Bonds and $597,049 (2017 - $372,081) in Bonds matured. Interest compounded and capitalized on Series B and F Bonds during the year ended December 31, 2018 was $58,940 (2017 - $60,478).

The Company has the right to redeem up to 100% of a bondholder's Bonds at any time by providing the bondholder with 21 days written notice of its intention to do so, through the payment of the principal amount of the redeemed Bonds and all accrued and unpaid interest thereon to the date of redemption.

Beginning on the date that is 6 months from the date of a Bond, a bondholder shall be entitled twice in a calendar year, to cause the Company to redeem up to 10% of the bondholder's outstanding Bonds upon 45 days written notice. Series A and Series B Bonds for which the written notice has been received will be redeemed on February 28 and August 31 of each year. Series D, Series E and Series F Bonds for which the written notice has been received will be redeemed on March 31 and September 30 of each year. The redemption amount of the Bond will be equal to the outstanding principal amount of the Bond less a redemption penalty calculated as 5% of the principal amount redeemed within 12 months of the date of the Bond certificate and 1% of the principal amount redeemed after 12 months from the date of the Bond certificate.

Series C Bonds do not have a right of early redemption by the bondholder.

A shareholder of the Company had subscribed for 20 Series B Bonds for a total principal amount of $20,000, subject to the standard terms and conditions applicable to the Series B Bonds. The Bond matured in the year and was repaid in full.

7. SHARE CAPITAL

Authorized:

Unlimited number of Class A, non-participating, voting, preferred shares
Unlimited number of Class B, non-voting common shares

	2018	2017
Issued and outstanding:		
100,000 Class A preferred shares	**$ 1,000**	$ 1,000

No shares were issued or redeemed in 2018 or 2017.

8. COMMITMENTS

The Company entered into an agreement (the “Agreement”) with Target Capital Inc. (“Target”), the controlling shareholder, on November 8, 2012. Pursuant to the terms of the Agreement, the Company is required to pay to Target an annual fee of $2,500 plus 0.5% of the total funds outstanding that have been raised under the Offering that is in excess of $500,000 at the date of the anniversary of the Agreement. The annual fee is payable on each anniversary date of the Agreement.

The Agreement also requires the Company to pay a capital raising fee of 0.5% on funds raised in a year in excess of $500,000. The capital raising fee is payable within 60 days from the date that the $500,000 threshold is exceeded in the year.

With the exception of the annual fee and capital raising fee, Target will not otherwise benefit from its position as the controlling shareholder.

The Company has agreed to fully indemnify Target and its directors, officers and employees in connection with the Agreement, the Offering and Target’s shareholdings in the Company.

The Agreement will remain in effect until the earliest of three dates: i) termination of the Agreement by the Company, requiring 90 days written notice to Target; ii) the date on which Target ceases to be the majority shareholder; and, iii) 10 years from the date of the Agreement.

9. CAPITAL MANAGEMENT

The Company's capital management policy is to maintain a strong capital base that optimises the Company's ability to grow, maintain creditor confidence and to provide a platform to create value for its shareholders. The Company intends to maintain a flexible capital structure to sustain future development of the business.

The Company will manage its capital structure and make changes to it in the light of changes in economic conditions and the risk characteristics of the nature of the business. The Company considers its capital structure to be equity. In order to maintain or adjust the capital structure, the Company may from time to time issue shares, seek debt financing and adjust its capital spending to manage its current and projected capital structure.

The Company monitors capital based on projected cash flow from operations and anticipated capital expenditures.

The Company is not subject to externally imposed capital requirements.

10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The fair values of cash, due from related party and accounts payable and accrued liabilities approximates their carrying values due to the short term to maturity. The fair value of Bonds approximates its carrying value as the market rate is equal to the interest rate paid on the Bonds.

a) Risk management framework

The Company employs risk management strategies and policies to ensure that any exposure to risk is in compliance with the Company's business objectives and risk tolerance levels. While the directors have overall responsibility for the establishment and oversight of the Company's risk management framework, management has the responsibility to administer and monitor these risks.

b) 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 contractual obligations. The Company’s maximum exposure to credit risk at December 31, 2018 is the total of cash and due from related party of $4,527,066 (2017 - $3,732,353). The Company manages the credit exposure related to cash by selecting financial institutions with high credit ratings and due from related party by reviewing the financial stability of the related party. Given these credit ratings, management does not expect any counterparty to fail to meet its obligations.

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. The Company's approach to managing liquidity risk is to ensure it will have sufficient liquidity to meet its liabilities when due. The Company's ongoing liquidity will be impacted by various external events and conditions, in particular, the collectibility of the related party advances to repay any future Bond redemptions.

d) Market risk

Market risk is the risk that changes in market prices, such as interest rates or foreign exchange rates, will affect the Company's net income or the value of financial instruments. The objective of the Company is to manage and mitigate market risk exposures within acceptable limits, while maximizing returns. The Company has assessed that it is not exposed to significant interest or currency risk.

11. TAXES

The Company has no deferred tax asset to recognize and does not have any loss carryforwards for the years ended December 31, 2018 and 2017.

12. SUBSEQUENT EVENT

Subsequent to year-end the Company raised $555,600 from the issuance of new Bonds pursuant to the Offering and renewed $144,500 in Bonds that matured.