

Graph Blockchain Inc.
(formerly Reg Technologies Inc.)

Interim Condensed Financial Statements
For the Three and Nine Months Ended January 31, 2020 and 2019
(unaudited)
(Expressed in Canadian dollars)

Interim Condensed Financial Statements

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Notice to Reader

The accompanying unaudited interim condensed financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Graph Blockchain Inc. (formerly Reg Technologies Inc.)

Interim Condensed Consolidated Statements of Financial Position

(Expressed in Canadian dollars, unaudited)

	January 31, 2020 \$	April 30, 2019 \$
Assets		
Current assets		
Cash and cash equivalents	1,602	22,171
Trade and other receivables (note 10)	4,989	156,825
Loan receivables (note 9)	-	176,324
Prepaid expenses and other assets	17,455	306,247
Total current assets	<u>24,046</u>	<u>661,567</u>
Property and equipment, net (note 4)	<u>12,685</u>	<u>31,425</u>
Total assets	<u>36,731</u>	<u>692,992</u>
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued liabilities (note 8)	128,783	499,077
Loan payables (note 8)	246,792	115,200
	<u>375,575</u>	<u>614,277</u>
Total liabilities	<u>375,575</u>	<u>614,277</u>
Shareholders' equity		
Share capital (note 6)	9,469,564	9,449,979
Reserves (note 6)	371,133	371,133
Accumulated other comprehensive income	3,729	(84)
Deficit	<u>(10,183,270)</u>	<u>(9,742,313)</u>
Total shareholders' equity	<u>(338,844)</u>	<u>78,715</u>
Total liabilities and shareholders' equity	<u>36,731</u>	<u>692,992</u>
Going concern (note 2)		

Signed "Govinda Butcher" Director

Signed "Alex MacKay" Director

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

Graph Blockchain Inc. (formerly Reg Technologies Inc.)

Interim Condensed Consolidated Statement of Loss and Comprehensive Loss

(Expressed in Canadian dollars, except number of common shares, unaudited)

	Three months ended January 31, 2020	Three months ended January 31, 2019	Nine months ended January 31, 2020 \$	Nine months ended January 31, 2019 \$
Revenue				
Service revenue	-	281,362	-	1,102,594
Expenses				
Salaries, benefits and management fees (note 8)	30,269	378,955	200,530	990,864
Office and general (note 8)	(68,906)	264,912	121,895	674,800
Other operating expenses (note 8 and 9)	(145,388)	393,461	79,356	1,860,846
Depreciation and amortization (note 4)	(26,441)	4,199	13,967	11,256
Loss on disposal of assets (note 4)	5,495	-	5,495	-
Share based consulting fees (notes 6 and 8)	2,373	-	19,585	29,400
Share based compensation (note 8)	-	23,993	-	1,132,333
	<u>(202,598)</u>	<u>1,065,520</u>	<u>440,828</u>	<u>4,699,499</u>
Income (Loss) before undernoted items	202,598	(784,158)	(440,828)	(3,596,905)
Management fee (note 8)	-	(44,694)	-	(44,694)
Finance income	(1,749)	(6,886)	85	(10,237)
Foreign exchange loss	-	(2,389)	44	5,172
Listing expense	-	1,556,110	-	1,556,110
Other reverse take-over fees	-	300,736	-	1,185,692
	<u>204,347</u>	<u>(2,587,035)</u>	<u>(440,957)</u>	<u>(6,288,948)</u>
Net income (loss)	<u>204,347</u>	<u>(2,587,035)</u>	<u>(440,957)</u>	<u>(6,288,948)</u>
Weighted average number of common shares (note 7)	<u>138,081,643</u>	<u>136,323,895</u>	<u>137,779,274</u>	<u>125,879,897</u>
Basic and diluted income (loss) per share (note 7)	<u>0.001</u>	<u>(0.019)</u>	<u>(0.003)</u>	<u>(0.050)</u>
Other comprehensive income, net of tax				
Foreign exchange translation adjustment	3,768	(4,578)	3,813	(1,474)
Comprehensive income (loss)	<u>208,115</u>	<u>(2,591,613)</u>	<u>(437,144)</u>	<u>(6,290,422)</u>

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

Graph Blockchain Inc. (formerly Reg Technologies Inc.)

Interim Condensed Consolidated Statement of Changes in Shareholders' Equity
(Expressed in Canadian dollars, except number of common shares, unaudited)

	<u>Common Shares</u>				Accumulated other comprehensive income \$	Total \$
	Number	Amount \$	Reserves \$	Deficit \$		
Balance – April 30, 2019	137,376,349	9,449,979	371,133	(9,742,313)	(84)	78,715
Net loss for the period	-	-	-	(440,957)	-	(440,957)
Share based consulting fees	908,232	19,585	-	-	-	19,585
Foreign exchange translation	-	-	-	-	3,813	3,813
Balance – January 31, 2020	138,284,581	9,469,564	371,133	(10,183,270)	3,729	(338,844)

	<u>Common Shares</u>				Accumulated other comprehensive income \$	Total \$
	Number	Amount \$	Reserves \$	Deficit \$		
Balance – April 30, 2018	109,104,363	5,197,960	75,865	(2,124,565)	-	3,149,260
Net loss for the period	-	-	-	(6,288,948)	-	(6,288,948)
Shares issued under private placement	3,354,866	984,228	-	-	-	984,228
Shares issued to former RegTech shareholders and debtholders	5,954,715	1,250,490	-	-	-	1,250,490
Shares issued in exchange for consulting fees	12,249,762	1,029,400	-	-	-	1,029,400
Share based compensation	5,768,232	1,132,333	-	-	-	1,132,333
Warrants issued	-	(295,268)	295,268	-	-	-
Shares issued as RTO finder's fee	641,666	134,750	-	-	-	134,750
Foreign exchange translation	-	-	-	-	(1,474)	(1,474)
Balance – January 31, 2019	137,073,605	9,433,893	371,133	(8,413,513)	(1,474)	1,390,039

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

Graph Blockchain Inc. (formerly Reg Technologies Inc.)

Interim Condensed Consolidated Statements of Cash Flows

(Expressed in Canadian dollars, unaudited)

	Nine months ended January 31, 2020 \$	Nine months ended January 31, 2019 \$
Cash flows used in operating activities		
Net loss	(440,957)	(6,288,948)
Adjustments to reconcile net loss to operating cash flow		
Depreciation of property and equipment (note 4)	13,967	11,256
Other reverse take-over fees – share based	-	884,956
Share based consulting fees (note 6 and 8)	19,585	29,400
Share based compensation	-	1,132,333
Shares subscribed in private placements for services to be rendered	62,857	300,000
Loss allowance on loan receivables (note 9)	69,715	-
Listing expenses	-	1,556,110
Loss on disposal of assets (note 4)	5,495	
Net change in operating assets and liabilities (note 5)	(3,911)	(408,829)
	<u>(273,249)</u>	<u>(2,783,722)</u>
Cash flows from/(used in) investing activities		
Purchase of property and equipment	(1,452)	(27,299)
Repayments of loan receivables	106,609	-
Net cash flow from reverse takeover		228
	<u>105,157</u>	<u>(27,071)</u>
Cash flows from financing activities		
Loan Payable (note 8)	90,712	-
Repayment of loan	(7,777)	-
Proceeds from issuance of share warrants		295,268
Proceeds from issuance of share capital		688,960
	<u>82,935</u>	<u>984,228</u>
Effect of exchange rate changes on cash and cash equivalents	64,588	409
Increase (decrease) in cash and cash equivalents	(20,569)	(1,826,156)
Cash and cash equivalents, beginning of period	22,171	2,821,279
Cash and cash equivalents, end of period	<u>1,602</u>	<u>995,123</u>

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

Graph Blockchain Inc. (formerly Reg Technologies Inc.)

Notes to Interim Condensed Consolidated Financial statements

For the three and nine months ended January 31, 2020 and 2019

(Expressed in Canadian dollars, unaudited)

1 Description of business and organization

Graph Blockchain Inc (the “Company”, formerly Reg Technologies Inc. or “RegTech”) is a private blockchain technology company that develops, markets and implements high performance private blockchain database management solutions. The Company’s solution provides for a unique and more streamlined way of filtering through blockchain based data, providing users with querying capabilities, meta data management, and advanced analytics.

The Company is a publicly traded corporation, incorporated in the province of British Columbia, and its head office is located at 105 Bowie Avenue, Toronto, Ontario, M6E 2P8 Canada. The Company’s common shares are listed on the Canadian Securities Exchange under the trading symbol “GBLC”. The Company was incorporated under the laws of the Province of British Columbia on October 6, 1982. On November 6, 2018, the Company completed its acquisition of Graph Blockchain Limited (“Graph”) through a reverse takeover, and changed the Company’s name to Graph Blockchain Inc..

2 Significant accounting policies

Basis of presentation and statement of compliance

These unaudited interim condensed financial statements (“interim financial statements”) were prepared using the same accounting policies and methods as those used in the Company’s audited financial statements for the year ended April 30, 2019 (the “2019 Consolidated Financial Statements”). These interim financial statements are in compliance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”). Accordingly, certain information and footnote disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”), have been omitted or condensed.

The preparation of financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements have been set out in note 2 to the Company’s 2019 Consolidated Financial Statements. These interim financial statements should be read in conjunction with the Company’s 2019 Consolidated Financial Statements.

The interim financial statements were approved and authorized for issuance by the Company’s Board of Directors on March 24, 2020. The financial statements are presented in Canadian dollars which is also the Company’s functional currency. The Company has one wholly-owned entity, the South Korean branch of Graph Blockchain Limited with a Korean Won functional currency. The accounting policies have been applied consistently in these financial statements, unless otherwise indicated.

Certain comparatives have been reclassified to conform with current period presentation.

Going concern

These interim condensed financial statements were prepared on a going concern basis under the historical cost basis of accounting. As at January 31, 2020, the Company has a deficit of \$10,183,270 (April 30, 2019 - \$9,742,313). For the three and nine months ended January 31, 2020, the Company recognized a net income of \$204,347 and a net loss of \$440,957

Graph Blockchain Inc. (formerly Reg Technologies Inc.)

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(three and nine months ended January 31, 2019 - \$2,587,035 and \$6,288,948) and had net cash outflows from operating activities of \$273,249 (nine months ended January 31, 2020 - \$2,783,722). As at January 31, 2020, the Company has insufficient cash to fund its planned operations for the next twelve months. These 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 Company's ability to continue as a going concern is dependent upon the ability of the Company to generate sufficient revenues and positive cash flows from its operating activities and/or obtain sufficient additional financing to settle its obligations and fund its planned operations. Accordingly, the Company may need further financing in the form of debt, equity or a combination thereof for the next twelve months. There can be no assurance that additional funding will be available to the Company, or, if available, that this funding will be on acceptable terms. If adequate funds are not available, the Company may be required to delay or reduce the scope of any or all of its projects.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. Should the Company be unable to generate sufficient cash flow from operations or financing activities, the carrying value of the Company's asset could be subject to material adjustments and other adjustments may be necessary to these financial statements should such events impair the Company's ability to continue as a going concern.

Basis of consolidation

The interim condensed consolidated financial statements include the accounts of the Company's wholly owned subsidiary, Graph Blockchain Limited ("Graph"). Any references to Company include references to such subsidiary. Intercompany balances and transactions are eliminated upon consolidation and preparation of these consolidated financial statements, and any unrealized income and expenses arising from intercompany transactions, are eliminated.

Operating segments

Management has determined that the Company operates in two reportable operating segments based on geographical region. The Company provides blockchain services with a head office located in Canada ("Graph Canada") and a branch located in South Korea ("Graph Korea").

Lease

Effective May 1, 2019, the Company adopted IFRS 16 – Leases, which supersedes previous accounting standards for leases, including IAS 17 – Leases and IFRIC 4 – Determining whether an arrangement contains a lease. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of a low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The company primarily leases buildings for office use. For all lease contracts entered into, or changed, on or after May 1, 2019, the Company recognises a right-of-use asset and a lease liability at the lease commencement date. During the nine months period, the office lease contract has been terminated, so there is no reportable lease contact as of January 31, 2020.

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Notes to Interim Condensed Consolidated Financial statements

For the three and nine months ended January 31, 2020 and 2019

(Expressed in Canadian dollars, unaudited)

3 Operating segments

The Company has two geographic segments as defined in note 2 to these interim financial statements.

Segment information of the Company is summarized as follows:

	Graph Canada \$	Graph Korea \$	Consolidated totals \$
For the nine months ended January 31, 2020			
Revenue	-	-	-
Segment loss	(240,406)	(200,551)	(440,957)
Depreciation and amortization	8,834	5,133	13,967
Finance income	(4,306)	4,391	85
Share based consulting fees	19,585	-	19,585
Impairment of financial assets (included in Other operating expenses)	69,715	-	69,715
Loss on disposal of assets	-	5,495	5,495
Segment assets	21,152	15,579	36,731
Capital expenditure	-	1,452	1,452
Segment liabilities	177,183	198,392	375,575
	Graph Canada \$	Graph Korea \$	Consolidated totals \$
For the nine months ended January 31, 2019			
Revenue	15,000	1,087,594	1,102,594
Segment loss	(5,942,208)	(346,740)	(6,288,948)
Depreciation and amortization	8,834	2,422	11,256
Finance income	(10,237)	-	(10,237)
Listing expenses	1,556,110	-	1,556,110
Share based consulting fee and Other reverse take-over fees	1,215,092	-	1,215,092
Share based compensation	1,132,333	-	1,132,333
Segment assets	1,556,980	120,095	1,677,075
Capital expenditure	3,659	23,640	27,299
Segment liabilities	301,724	64,485	366,209

4 Property and equipment

During the three and nine months ended January 31, 2020, the Company had property and equipment additions of \$nil and \$1,452 (three and nine months ended January 31, 2019 - \$15,937 and \$27,299).

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Notes to Interim Condensed Consolidated Financial statements

For the three and nine months ended January 31, 2020 and 2019

(Expressed in Canadian dollars, unaudited)

During the three and nine months ended January 31, 2019, the company recorded the loss on disposal of property and equipment of 5,495 (three and nine months ended January 31, 2019- \$nil).

5 Net change in operating assets and liabilities

	Six months ended January 31, 2020 \$	Six months ended January 31, 2019 \$
Cash flows provided by (used in)		
Trade and other receivables	152,713	163,665
Prepaid expenses and other assets	224,655	(497,751)
Accounts payable and accrued liabilities	(381,279)	(64,743)
Contract liabilities	-	(10,000)
	<u>(3,911)</u>	<u>408,829</u>

6 Share capital and reserves

a) Common shares

The Company is authorized to issue an unlimited number of common shares with no par value.

Issuances of common shares are recorded in "Share capital" on the consolidated statements of financial position.

The following summarizes transactions involving the common shares of the Company:

	Number	Amount \$
Shares issued and outstanding at April 30, 2019	137,376,349	9,449,979
Share based consulting fees	908,232	19,585
Shares issued and outstanding at January 31, 2020	<u>138,284,581</u>	<u>9,469,564</u>

On April 1, 2018, the Company issued 2,421,952 common shares in escrow to an officer of the Company at the time, vesting over eight quarterly instalments with April 1, 2018 as the first vesting date. During the nine months ended January 31, 2020, the individual is no longer an officer or director of the company, hence the 908,232 common shares vested during the period for an amount of \$19,585 is recorded as "Share based consulting fees" in the interim statement of loss and comprehensive loss (nine months ended January 31, 2019 – 908,232 common shares vested for \$111,733, recorded in "Share based compensation").

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Notes to Interim Condensed Consolidated Financial statements

For the three and nine months ended January 31, 2020 and 2019

(Expressed in Canadian dollars, unaudited)

b) Warrants

Issuances of warrants are recorded in “Reserves” on the consolidated statements of financial position. The following summarizes transactions involving warrants issued by the Company:

	Number	Weighted average exercise price \$
Warrants outstanding at April 30, 2019	5,020,685	0.295
Warrants expired	<u>(1,665,818)</u>	<u>0.083</u>
Warrants outstanding at January 31, 2020	<u>3,354,867</u>	<u>0.40</u>

As at January 31, 2020, the outstanding warrants had a remaining useful life of 0.26 years with a reserve balance of \$371,133 (April 30, 2019 – useful life of 0.91 years with a reserve balance of \$371,133).

7 Loss per share

For the three months ended January 31, 2020

Net income	204,347
Weighted average number of shares outstanding	138,081,643
Basic and diluted income per share	<u>0.001</u>

For the nine months ended January 31, 2020

Net loss	(440,957)
Weighted average number of shares outstanding	137,779,274
Basic and diluted loss per share	<u>(0.003)</u>

For the three months ended January 31, 2019

Net loss	(2,587,035)
Weighted average number of shares outstanding	136,323,895
Basic and diluted loss per share	<u>(0.019)</u>

For the nine months ended January 31, 2019

Net loss	(6,288,948)
Weighted average number of shares outstanding	125,879,897
Basic and diluted loss per share	<u>(0.050)</u>

Basic loss per share is calculated by dividing the total loss by the weighted average number of shares outstanding during the period. Outstanding warrants as at January 31, 2020 of 3,354,867 have not been factored into the calculation as they are considered anti-dilutive.

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The following table presents the maximum number of shares that would be outstanding if all dilutive and potentially dilutive instruments as described in note 7 were exercised or converted as at January 31, 2020:

	Number
Common shares issued and outstanding	138,284,581
Warrants outstanding	3,354,867
	<u>141,639,448</u>

8 Related party transactions

a) Office and general

During the period ended January 31, 2020, the Company incurred marketing related cost of \$18,819 (nine months ended January 31, 2019 - \$16,484) charged by a company controlled by a director and shareholder of the Company, which has been included in “Office and general” in the interim statement of loss and comprehensive loss.

b) Accounts payable and accrued liabilities

As at January 31, 2020, an amount of \$45 (April 30, 2018 - \$78,723) included in accounts payable and accrued liabilities is due to certain officers and directors of the Company.

c) Loan payables

As of January 31, 2020, the Company has loan advancements due on demand from a shareholder company for a total amount of \$64,990.

As of January 31, 2020, the Company has loan advancements due on demand from the Korea segment of a shareholder company for a total amount of \$181,802 bearing interest at 5.0% per annum.

d) Other operating expenses

During the nine months ended January 31, 2020, the Company incurred management consulting cost of \$70,000 charged by a shareholder company, which has been included in “Other operating expense” in the interim financial statements (nine months ended January 31, 2019 – 929,655, of which \$884,956 included in “Other reverse take-over fees” and \$44,699 included in “Other operating expenses”).

e) Management fees

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(Expressed in Canadian dollars, unaudited)

During the three and nine months ended January 31, 2020, the Graph Korea charged a shareholder company of the Company management fee in the amount of \$nil for management services provided (three and nine months ended January 31, 2019- \$44,694).

f) Compensation of key management personnel

Key management includes members of the Board and executive officers of the Company. Compensation awarded to key management is listed below:

	Three months ended January 31, 2019		Three months ended January 31, 2019	
	Amount \$	Shares awarded	Amount \$	Shares awarded
Cash based compensation	-	-	139,583	-
Shares-based compensation	-	-	23,993	302,744
	<u>-</u>	<u>-</u>	<u>163,576</u>	<u>302,744</u>

	Nine months ended January 31, 2020		Nine months ended January 31, 2019	
	Amount \$	Shares awarded	Amount \$	Shares awarded
Cash based compensation	-	-	352,083	-
Shares-based compensation	-	-	825,733	4,308,232
	<u>-</u>	<u>-</u>	<u>1,177,816</u>	<u>4,308,232</u>

9 Financial instruments and risk management

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented below.

As at January 31, 2020, the Company's financial instruments are comprised of cash and cash equivalents, trade and other receivable, loan receivables, accounts payable and accrued liabilities, and loan payables. The amounts reflected in the statement of financial position are carrying amounts and approximate their fair values due to their short-term nature.

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General objectives, policies and processes

Management has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function.

The overall objective of management is to set policies that seek to minimize risk as far as possible without unduly affecting the Company's competitiveness and flexibility. The Company has established risk management policies and procedures designed to reduce the potentially adverse effects of price volatility on operating results and distributions. Further details regarding these policies are set out below.

Credit risk and economic dependence

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. Financial instruments which are potentially subject to credit risk for the Company consists primarily of cash, trade and other receivables, and loan receivables carried at amortized cost.

Credit risk associated with cash is minimized by ensuring these financial assets are maintained with financial institutions of reputable credit and may be redeemed upon demand.

The Company applies the simplified approach to providing for expected credit losses (ECL) prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade and other receivables, while ECL calculation based on stage assessment has been performed for loan receivables. As at January 31, 2020, the impairment allowance relating to trade and other receivables is \$136,279 (April 30, 2019 - \$66,564).

The following table sets out the stage continuity for the allowance for credit losses for loan receivables:

	Stage 1 \$	Stage 2 \$	Stage 3 \$	Total \$
Balance at April 30, 2019	176,324	-	-	176,324
Additions of new loan receivables	-	-	-	-
Repayments	(109,907)	-	-	(109,907)
Accretion income	3,298	-	-	3,298
Transfer between stages	(69,715)	-	69,715	-
Loss allowance on loans receivable	-	-	(69,715)	(69,715)
Balance at January 31, 2020	-	-	-	-
Balance at April 30, 2019	176,324	-	-	-

On April 3, 2019, the Company issued a loan receivable of \$133,000 as part of a potential future acquisition of Blockchain Innovations Inc ("BCI"), in which the letter of intent is signed on April 3, 2019. The loan is a secured loan issued on April

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4, 2019 with a maturity date of July 4, 2019, bearing an interest rate of 10% per annum. In May 2019, the Company has terminated its letter of intent. As of January 31, 2020, the Company concluded the loan is in default and hence recorded an additional expected credit loss of \$69,715 in “Other operating expenses”.

Fair values of financial instruments

IFRS 7 - Financial Instruments: Disclosures requires disclosure of a three-level hierarchy (“FV hierarchy”) that reflects the significance of the inputs used in making fair value measurements and disclosures. Fair values of assets and liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in Level 2 include those whose valuations are determined using inputs other than quoted prices for which all significant outputs are observable, either directly or indirectly. Level 3 valuations are those based on inputs that are unobservable and significant to the overall fair value measurement.

10 Subsequent events

On March 9, 2020, the Company completed a non-brokered private placement “(subscription)” for aggregate gross proceeds of \$150,000. Under the subscription, the company issued 5,000,000 units in accordance with the terms and conditions of the subscription agreement representing a subscription price of \$0.03 per unit. Each unit is comprised of one common share of the Company and one-half common share purchase warrant of the Company. Each warrant is exercisable into one common share at a price of \$0.06 for a period of 24 months from the closing date. In connection with the subscription, an aggregate of \$12,000 in a finder’s fees and 400,000 broker warrants were paid to finders. Each broker’s warrant shall be exercisable into one common share at \$0.06 for a period of 24 months from the closing date.