APPATURE MOBILE APPLICATIONS INC.

(formerly CDN BVentures Ltd.)

Financial Statements

Years Ended September 30, 2017 and 2016

(Expressed in Canadian dollars)

SATURNA GROUP
CHARTERED PROFESSIONAL ACCOUNTANTS LLP

1066 West Hastings Street, Suite 1250
Vancouver, BC Canada V6E 3X1

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Appature Mobile Applications Inc. (formerly CDN BVentures Ltd.)

We have audited the accompanying financial statements of Appature Mobile Applications Inc. (formerly CDN BVentures Ltd.), which comprise the statement of financial position as at September 30, 2017 and the statements of operations and comprehensive loss, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also involves evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Appature Mobile Applications Inc. (formerly CDN BVentures Ltd.) as at September 30, 2017, and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 of the financial statements which indicates the existence of a material uncertainty that may cast significant doubt on the ability of Appature Mobile Applications Inc. (formerly CDN BVentures Ltd.) to continue as a going concern.

Other Matter

The financial statements of Appature Mobile Applications Inc. (formerly CDN BVentures Ltd.) for the year ended September 30, 2016 were audited by another auditor who expressed an uned opinion on those financial statements on March 28, 2017.

Saturna Group LLP

Saturna Group Chartered Professional Accountants LLP

Vancouver, Canada

January 10, 2018

APPATURE MOBILE APPLICATIONS INC.

(formerly CDN BVentures Ltd.)
Statements of Financial Position
(Expressed in Canadian dollars)

	September 30, 2017 $	September 30, 2016 $
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	9,774	9,911
Due to related parties (Note 3)	4,189	48,218
Total liabilities	13,963	58,129
Shareholders’ deficit		
Share capital	100	100
Deficit	(14,063)	(58,229)
Total shareholders’ deficit	(13,963)	(58,129)
Total liabilities and shareholders’ deficit	–	–

Nature of operations (Note 1)
Commitment (Note 8)
Subsequent events (Note 10)

Approved and authorized for issuance on behalf of the Board on January 10, 2018:

/s/ “Rahim Mohamed” — Director

/s/ “Donald Gordon” — Director

(The accompanying notes are an integral part of these financial statements)

APPATURE MOBILE APPLICATIONS INC.
(formerly CDN BVentures Ltd.)
Statements of Operations and Comprehensive Loss
(Expressed in Canadian dollars)

	Year ended September 30, 2017 $	Year ended September 30, 2016 $
Expenses		
Management fees (Note 3)	18,900	28,350
Office and administrative (Note 3)	6,300	9,450
Professional fees	2,540	5,263
Rent (Note 3)	6,300	9,450
Transfer and filing fees	544	–
Total expenses	34,584	52,513
Other income		
Forgiveness of related party debt (Note 3)	(78,750)	–
Net income (loss) and comprehensive income (loss) for the year	44,166	(52,513)
Earnings (loss) per share, basic and diluted	441.66	(525.13)
Weighted average shares outstanding	100	100

(The accompanying notes are an integral part of these financial statements)

APPATURE MOBILE APPLICATIONS INC.
(formerly CDN BVentures Ltd.)
Statements of Changes in Equity
(Expressed in Canadian dollars)

	Share capital			Total shareholders'
	Number of shares	$	Deficit $	deficit $
Balance, September 30, 2015	100	100	(5,716)	(5,616)
Net loss for the year	–	–	(52,513)	(52,513)
Balance, September 30, 2016	100	100	(58,229)	(58,129)
Net income for the year	–	–	44,166	44,166
Balance, September 30, 2017	100	100	(14,063)	(13,963)

(The accompanying notes are an integral part of these financial statements)

APPATURE MOBILE APPLICATIONS INC.
(formerly CDN Bventures Ltd.)
Statements of Cash Flows
(Expressed in Canadian dollars)

	Year ended September 30, 2017 $	Year ended September 30, 2016 $
Operating activities		
Net income (loss) for the year	44,166	(52,513)
Items not involving cash:		
Forgiveness of related party debt	(78,750)	–
Changes in non-cash working capital:		
Accounts payable and accrued liabilities	(137)	5,263
Due to related parties	34,721	47,250
Net cash used in operating activities	–	–
Change in cash	–	–
Cash, beginning of year	–	–
Cash, end of year	–	–
Supplemental disclosures:		
Interest paid	–	–
Income taxes paid	–	–

(The accompanying notes are an integral part of these financial statements)

1. Nature of Operations

Appature Mobile Applications Inc. (formerly Cdn BVentures Ltd.) (the "Company") was incorporated on October 30, 2014 under the Business Corporations Act (British Columbia) as a wholly-owned subsidiary of a reporting issuer, Web Watcher Systems Ltd. ("Web Watcher"). On November 18, 2014, Northern Vine Canada Inc. ("Northern") and Web Watcher entered into a letter of intent (the "LOI") providing for the amalgamation of the Company and Northern to form the Issuer.

On December 9, 2014, Web Watcher entered into an arrangement agreement (the "Arrangement Agreement") with the Company. Under the terms of the Arrangement Agreement, Web Watcher was to complete a plan of arrangement which would divest Web Watcher of the asset consisting of the LOI, which would be divested to the Company for consideration of 1,440,351 common shares of the Company. Web Watcher received shareholder approval for the Arrangement Agreement at an annual general and special meeting of shareholders held on January 29, 2015, and received final approval to the Arrangement Agreement from the Supreme Court of British Columbia on February 5, 2015. The Company's registered office is located at Suite 100, 2419 Centre Street NW, Calgary, AB, T2E 2T8.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at September 30, 2017, the Company has not generated any revenues from operations, has a working capital deficit of $13,963, and has an accumulated deficit of $14,063. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors may cast significant doubt on the Company's ability to continue as a going concern. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. Significant Accounting Policies

(a) Basis of Presentation

The accompanying financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") on a going concern basis, as issued by the International Accounting Standards Board ("IASB").

The financial statements have been prepared on a historical cost basis. The financial statements are presented in Canadian dollars, which is the Company's functional currency.

(b) Significant Accounting Estimates and Judgments

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Significant areas requiring the use of estimates include unrecognized deferred income tax assets.

The application of the going concern assumption which requires management to take into account all available information about the future, which is at least but not limited to, 12 months from the year end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

2. Significant Accounting Policies (continued)

(c) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

(d) Financial Instruments

(i) Non-derivative financial assets

The Company initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Financial assets at fair value through profit or loss

Financial assets are classified as fair value through profit or loss when the financial asset is held for trading or it is designated as fair value through profit or loss. A financial asset is classified as held for trading if: (i) it has been acquired principally for the purpose of selling in the near future; (ii) it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit taking; or (iii) it is a derivative that is not designated and effective as a hedging instrument.

Financial assets classified as fair value through profit or loss are stated at fair value with any gain or loss recognized in the statement of operations. The net gain or loss recognized incorporates any dividend or interest earned on the financial asset. The Company does not have any assets classified as fair value through profit or loss.

Held-to-maturity investments

Held-to-maturity investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs. The Company does not have any assets classified as held-to-maturity investments.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the previous categories. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale equity instruments, are recognized in other comprehensive income and presented within equity in the fair value reserve. When an investment is derecognized, the cumulative gain or loss in other comprehensive income is transferred to the statement of operations. Available-for-sale financial assets are comprised of marketable securities. The Company does not have any assets classified as available-for-sale.

2. Significant Accounting Policies (continued)

(d) Financial Instruments (continued)

(i) Non-derivative financial assets (continued)

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. The Company does not have any assets classified as amounts receivable.

Impairment of financial assets

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income or loss are reclassified to the statement of operations in the period. Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been impacted. For marketable securities classified as available-for-sale, a significant or prolonged decline in the fair value of the securities below their cost is considered to be objective evidence of impairment.

For all other financial assets objective evidence of impairment could include:

• significant financial difficulty of the issuer or counterparty; or

• default or delinquency in interest or principal payments; or

• it becoming probable that the borrower will enter bankruptcy or financial re-organization.

For certain categories of financial assets, such as amounts receivable, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of amounts receivable, where the carrying amount is reduced through the use of an allowance account. When an amount receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in the statement of operations.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the statement of operations to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. In respect of available-for-sale equity securities, impairment losses previously recognized through the statement of operations are not reversed through the statement of operations.

In respect of available-for-sale equity securities, impairment losses previously recognized through the statement of operations are not reversed through the statement of operations. Any increase in fair value subsequent to an impairment loss is recognized directly in equity.

2. Significant Accounting Policies (continued)

(d) Financial Instruments (continued)

(ii) Non-derivative financial liabilities

The Company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. The Company has the following non-derivative financial liabilities: accounts payable and amounts due to related party.

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

(iii) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and stock options are recognized as a deduction from equity, net of any tax effects.

(e) Income Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in the statement of operations. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the statement of financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

2. Significant Accounting Policies (continued)

(f) Foreign Currency Translation

The functional and reporting currency is the Canadian dollar. Transactions denominated in foreign currencies are translated using the exchange rate in effect on the transaction date or at an average rate. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange in effect at the statement of financial position date. Non-monetary items are translated using the historical rate on the date of the transaction. Foreign exchange gains and losses are included in the statement of operations.

(g) Stock-based Compensation

The grant date fair value of share-based payment awards granted to employees is recognized as stock-based compensation expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Where equity instruments are granted to parties other than employees, they are recorded by reference to the fair value of the services received. If the fair value of the services received cannot be reliably estimated, the Company measures the services received by reference to the fair value of the equity instruments granted, measured at the date the counterparty renders service.

All equity-settled share-based payments are reflected in share-based payment reserve, unless exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payment reserve is credited to share capital, adjusted for any consideration paid.

(h) Loss Per Share

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted loss per share, whereby all “in the money” stock options and share purchase warrants are assumed to have been exercised at the beginning of the period and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the period. When a loss is incurred during the period, basic and diluted loss per share are the same as the exercise of stock options and share purchase warrants is considered to be anti-dilutive.

(i) Comprehensive Loss

Comprehensive income (loss) is the change in the Company’s net assets that results from transactions, events and circumstances from sources other than the Company’s shareholders and includes items that are not included in the statement of operations.

(j) Accounting Standards Issued But Not Yet Effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended September 30, 2017, and have not been applied in preparing these financial statements.

New standard IFRS 9, “Financial Instruments”

The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on the Company’s financial statements.

2. Significant Accounting Policies (continued)

(j) Accounting Standards Issued But Not Yet Effective (continued)

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or not expected to have a significant impact on the Company's financial statements.

3. Related Party Transactions

(a) As at September 30, 2017, $3,221 (2016 - $47,250) was owed to a company controlled by the Chief Financial Officer of the Company which is non-interest bearing, unsecured, and due on demand. During the year ended September 30, 2017, this company forgave $78,750 that was owed by the Company.

(b) As at September 30, 2017, $967.95 (2016 - $1,068) was owed to Web Watcher which is non-interest bearing, unsecured, and due on demand.

(c) During the year ended September 30, 2017, the Company incurred management fees of $18,900 (2016 - $28,350), office and administrative fees of $6,300 (2016 - $9,450), and rent of $6,300 ($9,450) to a company controlled by the Chief Financial Officer of the Company.

4. Share Capital

Authorized: Unlimited number of common shares
Unlimited number of special shares

5. Stock Options

The Company has adopted an incentive stock option plan (the "Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the applicable stock exchange's requirements, grant to directors, officers, employees, and consultants to the Company, non-transferable options to purchase common shares of the Company. Pursuant to the Plan, the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. Stock options granted under the Plan can have a maximum exercise term of five years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors.

As at September 30, 2017 and 2016, no options were granted or outstanding.

6. Financial Instruments and Risks

(a) Fair Values

The fair values of financial instruments, which include accounts payable and accrued liabilities, and amounts due to related parties, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

The Company is not exposed to any significant credit risk.

(c) Foreign Exchange Rate Risk

The Company is not exposed to any significant foreign exchange rate risk.

(d) Interest Rate Risk

The Company is not exposed to interest rate risk as it does not have any assets or liabilities that are affected by changes in interest rates.

(Expressed in Canadian dollars)

6. Financial Instruments and Risks (continued)

(e) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations through related party loans. The ability to do this relies on the Company raising debt financing in a timely manner.

7. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of equity comprised of issued share capital.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issuances or by undertaking other activities as deemed appropriate under the specific circumstances.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements.

8. Commitment

On September 12, 2017, the Company entered into a share exchange agreement with Appature Technologies Inc ("ATI"). Pursuant to the share exchange agreement, the Company will issue up to 22,041,793 common shares of the Company in exchange for the equivalent number of issued and outstanding shares of ATI. Refer to Note 10.

9. Income Taxes

The tax effect (computed by applying the Canadian federal and provincial statutory rate) of the significant temporary differences, which comprise deferred income tax assets and liabilities, are as follows:

	2017 $	2016 $
Canadian statutory income tax rate	26%	26%
Income tax provision (recovery) at statutory rate	11,483	(13,653)
Tax effect of:		
Change in unrecognized deferred income tax assets	(11,483)	13,653
Income tax provision	–	–

The significant components of deferred income tax assets and liabilities are as follows:

	2017 $	2016 $
Deferred income tax assets		
Non-capital losses carried forward	3,657	15,140
Unrecognized deferred income tax assets	(3,657)	(15,140)
Net deferred income tax asset	–	–

9. Income Taxes (continued)

As at September 30, 2017, the Company has non-capital losses carried forward of $14,063, which are available to offset future years' taxable income. These losses expire in 2036.

10. Subsequent Events

(a) On October 24, 2017, the Company issued 1,440,351 common shares pursuant to the Arrangement Agreement.

(b) On October 26, 2017, the Company and ATI closed the share exchange agreement dated September 12, 2017. Pursuant to the share exchange agreement, the Company issued 19,961,193 of common shares of the Company in exchange for 19,961,193 common shares of ATI, resulting in a 90.5% acquisition of the outstanding common shares of ATI.