

AX1 CAPITAL CORPORATION

Condensed Interim Financial Statements
For the three and six months ended February 28,
2019 and 2018
(Expressed in Canadian Dollars)
(Unaudited)

Dated: April 19, 2019

A copy of this report will be provided to any shareholder who requests it.

AX1 CAPITAL CORPORATION
Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)

	February 28, 2019 (unaudited)	August 31, 2018 (audited)
Assets		
Current		
Cash	\$ 47,355	\$ 60,177
Liabilities and Shareholders' Equity		
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 16,007	\$ 11,098
Shareholders' Equity		
Common Shares (note 4)	\$ 109,835	\$ 67,500
Deficit	(78,487)	(18,421)
	31,348	49,079
Total Liabilities and Shareholders' Equity	\$ 47,355	\$ 60,177

Approved by on behalf of the Board:

"Kelly Klatik"

 Kelly Klatik, Director

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

AX1 CAPITAL CORPORATION
Condensed Interim Statements of Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	Three months ended Feb 28		Six months ended Feb 28	
	2019	2018	2019	2018
Expenses				
Office and administration	\$ 15,005	18	\$ 60,066	18
Net Loss and Comprehensive Loss for the Period	(15,005)	(18)	(60,066)	(18)
Basic and Diluted Loss per Share	\$ (0.01)	(0.00)	\$ (0.03)	(0.00)
Weighted Average Number of Common Shares Outstanding	1,881,000	199,468	1,881,000	126,424

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AX1 CAPITAL CORPORATION
Condensed Interim Statements of Changes in Equity
February 28, 2019
(Expressed in Canadian Dollars)
(Unaudited)

	Number of Outstanding Shares	Common Shares	Deficit	Total Shareholders' Equity
		\$	\$	\$
Balance, August 31, 2018	1,881,001	67,500	(18,421)	49,079
Subscriptions received	-	42,335	-	42,335
Net loss for period	-	-	(45,061)	(45,061)
Balance, November 30, 2018	1,881,001	109,835	(63,482)	46,353
Subscriptions received	-	-	-	-
Net loss for period	-	-	(15,005)	(15,005)
Balance, February 28, 2019	1,881,001	109,835	(78,487)	31,348

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

AX1 CAPITAL CORPORATION
Condensed Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	Three months ended Feb 28		Six months ended Feb 28	
	2019	2018	2019	2018
Operating Activities				
Net loss for the period	\$ (15,005)	(18)	\$ (60,066)	(18)
Changes in non-cash working capital				
Accounts payable and accrued liabilities	(4,007)	-	4,909	-
Cash Used in Operating Activities	(19,012)	-	(55,157)	-
Financing Activities				
Proceeds from subscriptions receivable	-	-	42,335	-
Inflow (Outflow) of Cash	(19,012)	(18)	(12,822)	(18)
Cash, Beginning of Period	66,367	-	60,177	-
Cash, End of Period	\$ 47,355	(18)	\$ 47,355	(18)

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AX1 CAPITAL CORPORATION
Notes to the Condensed Interim Financial Statements
For the six months ended February 28, 2019 and 2018
(Expressed in Canadian Dollars)
(Unaudited)

1. NATURE OF OPERATIONS AND GOING CONCERN

AX1 Capital Corporation (the “Company”) was incorporated under the *Business Corporations Act* (British Columbia) on October 10, 2017. The Company’s registered office address is 212 – 1080 Mainland Street, Vancouver, British Columbia and its principal place of business is Vancouver, British Columbia.

On August 24, 2018, the Company entered into a Security Exchange Agreement (the “Agreement”) with Luxxfolio Network Inc. (“Luxxfolio”), a private company incorporated under the *Business Corporations Act* (British Columbia), with respect to a proposed acquisition. The transaction will be structured by way of a reverse takeover whereby the Company will issue shares to the Luxxfolio security holders in exchange for securities of Luxxfolio. In consideration for all of the issued and outstanding securities of Luxxfolio, the Company shall issue to Luxxfolio security holders one common share of the Company for each common share, special warrant, or share purchase warrant of Luxxfolio held by them. The Company will become the sole shareholder of Luxxfolio. Management intends to file a prospectus with various securities regulators in Canada to qualify the shares to be issued to the Luxxfolio security holders, and to concurrently make application to list the common shares of the Company on the Canadian Securities Exchange. The transaction is considered a reverse takeover by Luxxfolio since the legal acquiree is the accounting acquirer, as the former shareholders of Luxxfolio obtain a controlling interest of the resulting entity after the completion of the transaction.

These condensed interim financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The Company realized a net loss of \$60,066 for the six months ended February 28, 2019. As at February 28, 2019, the Company had an accumulated deficit of \$78,487. 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's continued existence is dependent upon its ability to raise additional capital, obtain financing, realize revenue sources and realize positive cash flows from operations. Failure to do so would have an adverse effect on the financial position of the Company and its ability to continue as a going concern. These factors raise significant doubt about the Company's ability to continue as a going concern.

These condensed interim financial statements do not include any adjustments that would be necessary, should the Company be unable to continue as a going concern. Such adjustments could be material.

On December 18, 2018, the Company filed a preliminary prospectus with the securities regulatory authorities in the Provinces of British Columbia, Alberta, Nova Scotia and Ontario and with the CSE, qualifying the distribution of 15,432,656 common shares of the Company’s issuable upon the acquisition of the outstanding common shares of Luxxfolio or upon conversion of the special warrants of the Luxxfolio. In addition, The Company has applied to the CSE to list its common shares on the CSE.

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2. BASIS OF PRESENTATION

(a) Statement of compliance

These unaudited condensed interim financial statements were prepared in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”). These condensed interim financial statements do not include all of the information required for full annual financial statements. These condensed interim financial statements should be read in conjunction with the financial statements for the initial 326-day period ended August 31, 2018.

In preparing these condensed interim financial statements, the significant accounting policies and the significant judgments made by management in applying the Company’s significant accounting policies and key sources of estimation uncertainty were the same as those that applied to the Company’s audited financial statements for the initial 326-day period ended August 31, 2018.

(b) Basis of presentation

These condensed interim financial statements have been prepared on a historical cost basis, except for certain financial instruments classified as financial instruments at fair value through profit or loss, which are stated at fair value. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

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

(c) Approval of the condensed interim financial statements

These condensed interim financial statements were authorized for issue by the Audit Committee and Board of Directors on April 19, 2019.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

(a) Use of estimates and judgments

The preparation of these condensed interim 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 vary from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

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4. SHAREHOLDERS' EQUITY

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued and outstanding

1,881,001 common shares without par value

During the six months ended February 28, 2019, the Company did not have any share activity. The Company received \$42,335 as payment for shares issued prior to August 31, 2018.

5. RISK MANAGEMENT

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk for the Company is associated with its cash. The Company is not exposed to significant credit risk as its cash is placed with a major Canadian financial institution.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. As at February 28, 2019, the Company has cash of \$47,355 available and to settle accounts payable of \$10,967. Accounts payable are in the normal course of business and are due within 90 days of the period end.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk. The Company is not exposed to significant market risk.

6. CAPITAL MANAGEMENT

The Company has not determined whether it will be successful in its endeavours and does not generate cash flows from operations. The Company's primary source of funds comes from the issuance of common shares. The Company does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations and is not subject to any externally imposed capital requirements.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern.

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6. CAPITAL MANAGEMENT (continued)

The Company defines its capital as shareholders' equity. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid.

7. SUBSEQUENT EVENTS

(a) Long form prospectus

On March 20, 2019, the Company filed a long form prospectus with the securities regulatory authorities in the Provinces of British Columbia, Alberta, Nova Scotia and Ontario and with the CSE, qualifying the distribution of 12,998,656 common shares of the Company's issuable upon the acquisition of the outstanding common shares of Luxxfolio or upon conversion of the special warrants and the share purchase warrants of the Luxxfolio. On March 21, 2019, the securities regulatory authorities in the Provinces of British Columbia, Alberta, Nova Scotia and Ontario issued receipts for the long form prospectus of the Company. In addition, the Company has received conditional approval from the CSE to list its common shares on the CSE.

(b) Change of name

On March 26, 2019, the Company filed Notice of Alteration with the BC Registry Services to change the name of the Company from AX1 Capital Corp. to Luxxfolio Holdings Inc. The BC Registry Services certified the change of name on March 26, 2019.

(c) Security Exchange Agreement

On April 11, 2019, the Company completed the Agreement with Luxxfolio. Luxxfolio became the wholly owned subsidiary of the Company.