

# AXIOM

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CAPITAL ADVISORS

**Condensed Interim Financial Statements**  
For the three months ended September 30, 2020  
(unaudited)

**NOTICE OF NO-AUDITOR REVIEW OF  
CONDENSED INTERIM FINANCIAL STATEMENTS**

The accompanying unaudited condensed interim consolidated financial statements have been prepared by Management.

Pursuant to National Instrument 51-102, the Company discloses that these unaudited condensed interim financial statements have not been subject to a review by the Company's external auditor.

# Axiom Capital Advisors Inc.

## Condensed Interim Statement of Financial Position

(unaudited - in Canadian dollars)

	Notes	As at September 30 2020	As at June 30 2020
<b>ASSETS</b>			
Current assets			
Cash		\$ 9,710	\$ 47,727
Accounts receivable		5,250	-
Total current assets		<u>14,960</u>	<u>47,727</u>
Intangible asset (net of amortization)	4	<u>97,224</u>	107,640
<b>Total assets</b>		<b><u>\$ 112,184</u></b>	<b><u>\$ 155,367</u></b>
<b>LIABILITIES</b>			
Current liability			
Accounts payable and accrued liabilities		\$ 16,258	\$ 45,061
<b>SHAREHOLDERS' EQUITY</b>			
Share capital		189,800	189,800
Deficit		(93,874)	(79,494)
Total Equity		<u>95,926</u>	<u>110,306</u>
<b>Total liabilities and shareholders' equity</b>		<b><u>\$ 112,184</u></b>	<b><u>\$ 155,367</u></b>
Going concern	2		

These financial statements were approved by the Directors of the Corporation on November 24, 2020

*(Signed) L. Evan Baergen*

Director

*(Signed) Dwight Martin*

Director

*The accompanying notes form an integral part of these condensed interim financial statements*

# Axiom Capital Advisors Inc.

## Condensed Interim Statement of Comprehensive Loss

(unaudited - in Canadian dollars)

	Three months ended September 30 2020 <sup>(1)</sup>
Revenue	\$ 15,000
<b>Expenses</b>	
Amortization of intangible asset	10,416
Professional fees	2,524
Regulatory fees	6,135
Rental payments	5,100
Office expenses	1,523
Telephone	3,636
Interest and bank charges	46
	<u>29,380</u>
<b>Loss from operations</b>	<u>(14,380)</u>
<b>Net Loss and Comprehensive Loss for the period</b>	<u>\$ (14,380)</u>
<b>Loss per share - basic and diluted</b>	<u>\$ (0.002)</u>
<b>Weighted average number of common shares</b>	<u>6,472,100</u>

<sup>(1)</sup> This is the first year of operations; comparative results for the prior year do not exist

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## Axiom Capital Advisors Inc.

### Condensed Interim Statement of Changes in Equity

*(unaudited - in Canadian dollars)*

	Number of Shares <sup>(1)</sup>	Share Capital Amount	Retained Earnings (Deficit)	Total
Balance, July 1, 2020	6,472,100	\$ 189,800	\$ (79,494)	\$ 110,306
Loss for the period	-	-	(14,380)	(14,380)
Balance at September 30, 2020	<b>6,472,100</b>	<b>\$ 189,800</b>	<b>\$ (93,874)</b>	<b>\$ 95,926</b>

(1) The Company has an unlimited number of Class A voting common shares, and an unlimited number of Class A, Class B and Class C preferred shares authorized for issue. In concurrence with its June 30, 2020 non-offering prospectus, the Company entered into an escrow agreement, and as of September 30, 2020, 5,043,690 Class A common shares are held in escrow and are scheduled for release in accordance with the terms of the escrow agreement and National Policy 46-201 Escrow for Initial Public Offerings.

*The accompanying notes form an integral part of these condensed interim financial statements*

## Axiom Capital Advisors Inc.

### Condensed Interim Statement of Cash Flows

*(unaudited - in Canadian dollars)*

Three months  
ended  
September 30  
2020

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#### Cash provided by:

#### Operating activities

Net Loss for the period	\$	(14,380)
Amortization of intangible asset		10,416
Changes in non-cash working capital		
Accounts receivable		(5,250)
Accounts payable and accrued liabilities		(28,803)
<b>Net cash used in operating activities</b>		<b>(38,017)</b>
Increase (decrease) in cash		(38,017)
Cash, beginning of the period		47,727
Cash, end of period	\$	9,710

*These financial statements were approved by the Directors of the Corporation on November 24, 2020*

# **Axiom Capital Advisors Inc.**

## **Notes to the Condensed Interim Financial Statements**

For the three months ended September 30, 2020

(unaudited – in Canadian dollars)

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### **1. General business description**

Axiom Capital Advisors Inc. (the "Company") is a corporation incorporated under the Business Corporations Act (Alberta) on January 28, 2020. The registered and head office address of the Company is Suite 1600, 333 - 7 Avenue SW, Calgary, Alberta, T2P 2Z1. The Company is a subsidiary of Axiom Advisors Inc.

Since the date of incorporation, the Company has issued and closed an Offering Memorandum for its Class A shares (the "Offering"), provided services pursuant to the administration agreement, put in place a management team, a board of directors and retained legal counsel.

The Company listed its shares on the Canadian Securities Exchange on August 13, 2020 under the symbol "ACA".

The business of the Company is to sell a minority interest in the subsidiaries it forms to arms-length purchasers, which allows the debt securities of the subsidiaries to be eligible for registered savings plans. A registered savings plan is a registered retirement savings plan, registered education savings plan, registered retirement income fund, a locked-in retirement account or a tax-free savings account. The purchasers of these subsidiaries use the capital raised at their own discretion, without reliance on the management or resources of the Company. The Company's management and capital are not committed to these subsidiaries.

### **2. Basis of presentation**

#### **2.1 Statement of compliance**

These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting* as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain disclosures included in annual financial statements prepared in accordance with International Financial Reporting Standards as issued by the IASB have been condensed or omitted.

The accounting policies applied in the preparation of these unaudited condensed interim financial statements are consistent with those applied and disclosed in the Company's audited financial statements for the year ended June 30, 2020. The Company's interim results are not necessarily indicative of its results for a full year.

The financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Directors of the Company on November 24, 2020.

## **Axiom Capital Advisors Inc.**

### **Notes to the Condensed Interim Financial Statements**

For the three months ended September 30, 2020

(unaudited – in Canadian dollars)

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#### **2.2 Going concern**

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19" was declared a global pandemic by the World Health Organization on March 11, 2020. Governments worldwide enacted emergency measures to combat the spread of the virus. The measures have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions.

The Company's ability to continue as a going concern depends upon it obtaining additional revenue or securing future equity or debt financing for its working capital and development activities.

#### **3. Critical accounting estimates and assumptions**

The Company makes estimates and assumptions concerning the future. The estimates and assumptions are continuously assessed, considering historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The critical estimate reflected in these financial statements is the estimated useful life of the intangible asset.

The Company will be the majority shareholder in many subsidiaries. The Company does not consolidate the financial statements of these subsidiaries since the contractual arrangements with the subsidiaries will prohibit the Company from selling its investment or receiving any economical benefit from the ongoing operations of the subsidiaries, and instead will require the Company to return its shares to the treasury of the subsidiaries upon termination of the agreement in return for the original amount paid by the Company. Accordingly, the Company has determined that the fair value of the shares of these subsidiaries is the original amount paid for by the Company on acquisition.

#### **4. Intangible asset**

During fiscal 2019 the Company acquired from its parent company, Axiom Advisors Inc., an administration agreement valued at \$125,000. The Company issued 5,000,000 Class A shares at a price of \$0.025 per share as consideration. The administration agreement is for the provision of specified services to a third party and provides monthly revenue of \$5,000 and is for a 36 month term.

The intangible asset is carried at cost less accumulated amortization of \$27,776 and impairment loss of \$nil, and is amortized on a straight-line basis over the estimated useful life of 36 months.



**Axiom Capital Advisors Inc.**  
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**5. Financial instruments and risk management**

The Company's financial instruments consist of cash, accounts receivable, and accounts payable.

**(a) Financial assets and liabilities by category**

Cash, accounts receivable and accounts payable are carried at amortized cost.

**(b) Fair value of financial instruments**

The carrying values of cash, accounts receivable and accounts payable approximate their fair values because of their current nature.

The categories of the fair value hierarchy that reflect the significance of inputs used in making fair value measurements are as follows:

**Level 1** - Quoted prices in active markets for identical, unrestricted assets or liabilities;

**Level 2** - Inputs other than quoted prices in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

**Level 3** - Inputs for the asset or liability that are not based on observable market data (supported by little or no market activity).

The designation of the Company's assets and liabilities which require the assessment of fair value are as follows:

- Cash, Level 1
- Accounts receivable, Level 1
- Intangible asset, Level 3
- Accounts payable and accrued liabilities, Level 1

**(c) Financial risks**

The Company is exposed to a variety of financial risks as a result of operations, including market risk, credit risk and liquidity risk. The Company's exposure to financial risks and how the Company manages each of those risks are described in note 6 to the Company's consolidated financial statements for the year ended June 30, 2020. There were no significant changes in the Company's exposure to those risks or to the Company's management of its exposures during the three months ended September 30, 2020.

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**Notes to the Condensed Interim Financial Statements**  
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**(d) 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 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, including the current economic conditions as described in the Going Concern note 2.2.

The following table summarizes the remaining contractual maturities of the Company's financial obligations as at September 30, 2020:

	<b>Due within 30 days</b>	<b>Due between 31 days and one year</b>	<b>September 30, 2020</b>
Accounts payable	\$508	\$15,750	\$16,258
	\$508	\$15,750	\$16,258