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**LevelUp Social Inc.**

**Financial Information**

**December 31, 2021**

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**LevelUp Social Inc.**

**Financial Statements**

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**December 31, 2021**

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	<b>Page</b>
Compilation Engagement Report	3
Statement of Income and Retained Earnings	4
Balance Sheet	5
Notes to the Financial Information	6 - 7

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# VAIVE AND ASSOCIATES

Professional Corporation

## Compilation Engagement Report

### To the Management of LevelUp Social Inc.

On the basis of information provided by management, we have compiled the balance sheet of LevelUp Social Inc. as at December 31, 2021, the statement of income and retained earnings for the year then ended, and note 2, which describes the basis of accounting applied in the preparation of the compiled financial information ("financial information").

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, Compilation Engagements, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.

*Vaive and Associates*

Ottawa  
June 20, 2022

Vaive and Associates Professional Corporation  
(Authorized to practice public accounting by the Chartered  
Professional Accountants of Ontario)

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**LevelUp Social Inc.****Statement of Income and Retained Earnings**

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<b>For the year ended December 31,</b>	<b>2021</b>	<b>2020</b>
<b>Revenue</b>	<b>\$ 4,795</b>	<b>\$ 1,303,191</b>
<b>Expenses</b>		
Advertising and promotion	-	1,020,890
Amortization	<b>2,495</b>	1,720
Interest and bank charges	<b>857</b>	1,686
Management fees	<b>125,398</b>	95,900
Meals and entertainment	-	574
Office	<b>4,202</b>	10,409
Professional fees	<b>2,000</b>	2,500
Salaries and benefits	<b>130,037</b>	142,639
	<b>264,989</b>	1,276,318
<b>Income (loss) before other item and income taxes</b>	<b>(260,194)</b>	26,873
<b>Other income</b>		
Dividends	<b>196,000</b>	-
<b>Income (loss) before income taxes</b>	<b>(64,194)</b>	26,873
<b>Income tax (recovery)</b>	<b>(10,864)</b>	2,893
<b>Net income (Net loss)</b>	<b>(53,330)</b>	23,980
<b>Retained earnings, beginning of year</b>	<b>81,102</b>	57,122
<b>Retained earnings, end of year</b>	<b>\$ 27,772</b>	<b>\$ 81,102</b>

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**LevelUp Social Inc.****Balance Sheet**

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December 31,	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 87,052	\$ 134,781
Accounts receivable	-	2,923
Income taxes receivable	<u>10,864</u>	<u>-</u>
<b>Total Current</b>	<b>97,916</b>	<b>137,704</b>
<b>Property, plant and equipment (note 4)</b>	<u>2,041</u>	<u>4,536</u>
	<u><b>\$ 99,957</b></u>	<u><b>\$ 142,240</b></u>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 32,185	\$ 3,692
Income taxes payable	<u>-</u>	<u>2,893</u>
<b>Total Current</b>	<b>32,185</b>	<b>6,585</b>
<b>Due to related parties</b>	<b>20,000</b>	<b>34,553</b>
<b>Due to shareholder</b>	<u>19,900</u>	<u>19,900</u>
	<u><b>72,085</b></u>	<u><b>61,038</b></u>
<b>Shareholders' equity</b>		
<b>Capital stock (note 5)</b>	<b>100</b>	<b>100</b>
<b>Retained earnings</b>	<u>27,772</u>	<u>81,102</u>
	<u><b>27,872</b></u>	<u><b>81,202</b></u>
	<u><b>\$ 99,957</b></u>	<u><b>\$ 142,240</b></u>

Approved by the board:

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Director

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**LevelUp Social Inc.****Notes to the Financial Information**

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**For the year ended December 31, 2021**

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**1. Nature of operations**

LevelUp Social Inc. was incorporated on August 12, 2019 under the laws of the Ontario Business Corporations Act. The Company's primary business activity is media and advertising.

**2. Basis of accounting**

The basis of accounting applied in the preparation of the balance sheet of LevelUp Social Inc. as at December 31, 2021, and the statement of income and retained earnings for the year then ended, is the historical cost basis and reflects cash transactions, with the additions of:

- ◆ accounts receivable less an allowance for doubtful accounts
- ◆ property, plant and equipment amortized on the same basis as for income tax
- ◆ accounts payable and accrued liabilities
- ◆ current income taxes payable as at the reporting date

**3. Significant accounting policy****Property, plant and equipment**

Property, plant and equipment are recorded at cost. The company provides for amortization using the declining balance method at rates designed to amortize the cost of the property, plant and equipment over their estimated useful lives. A full year's amortization is recorded in the year of acquisition. No amortization is recorded in the year of disposal. The annual amortization rate is as follows:

Computer equipment	55%
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**4. Property, plant and equipment**

	<b>2021</b>		
	<b>Cost</b>	<b>Accumulated amortization</b>	<b>Net book value</b>
Computer equipment	<b>\$ 6,256</b>	<b>\$ 4,215</b>	<b>\$ 2,041</b>
			<b>2020</b>
	<b>Cost</b>	<b>Accumulated amortization</b>	<b>Net book value</b>
Computer equipment	<b>\$ 6,256</b>	<b>\$ 1,720</b>	<b>\$ 4,536</b>

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**LevelUp Social Inc.**

**Notes to the Financial Information**

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**For the year ended December 31, 2021**

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**5. Capital stock**

	<u>2021</u>	<u>2020</u>
Authorized		
Unlimited number of First Preferred Shares		
Unlimited number of Second Preferred Shares		
Unlimited number of Third Preferred Shares		
Unlimited number of Fourth Preferred Shares		
Unlimited number of Class A Common Shares		
Unlimited number of Class B Common Shares		
Unlimited number of Class C Common Shares		
Unlimited number of Class D Common Shares		
Unlimited number of Class E Common Shares		
Unlimited number of Class F Common Shares		
Unlimited number of Class G Common Shares		
Unlimited number of Class H Common Shares		
Unlimited number of Class I Common Shares		
Unlimited number of Class J Common Shares		
Issued		
100 Class A Common Shares	<u>\$ 100</u>	<u>\$ 100</u>