Katipult Technology Corp.
(formerly Deha Capital Corp.)
Condensed Consolidated Interim Financial Statements
Three and Nine Months Ended September 30, 2017 and 2016
(Unaudited)

Katipult Technology Corp.
(formerly Deha Capital Corp.)
Condensed Consolidated Interim Statements of Financial Position

As at

(Expressed in Canadian Dollars - unaudited)

	Notes	**September 30, 2017**	December 31, 2016
ASSETS		**$**	$
Current			
Cash		**396,141**	188,360
Trade and other receivables		**141,900**	61,868
Taxes receivable		**48,714**	48,714
Marketable security	6	**120,000**	120,000
		706,755	418,942
Non-current			
Property and equipment		**3,580**	3,580
Total Assets		**710,335**	422,522
LIABILITIES AND EQUITY			
Current			
Accounts payable and accrued liabilities	7	**157,427**	57,196
Due to shareholders	7	**27,879**	27,741
		185,306	84,937
Non-current			
Deferred tax liability		**7,552**	7,552
Total Liabilities		**192,858**	92,489
Share capital	5,8	**935,702**	2
Contributed surplus	8	**91,182**	-
Obligation to issue shares	5	**41,300**	-
Retained earnings		**(550,707)**	330,031
Total Equity		**517,477**	330,033
Total Liabilities and Equity		**710,335**	422,522

Signed on behalf of the Board of Directors

“signed” Brock Murray	“signed” Jeff Dawson
Director	Director

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

Katipult Technology Corp.
(formerly Deha Capital Corp.)
Condensed Consolidated Interim Statements of Comprehensive Income (Loss)

For the three and nine months ended September 30,
(Expressed in Canadian Dollars – unaudited)

	Three months ended September 30, 2017 (Unaudited)	Three months ended September 30, 2016 (Unaudited)	**Nine months ended September 30, 2017 (Unaudited)**	Nine months ended September 30, 2016 (Unaudited)
REVENUE				
Setup fees	**$ 77,981**	$ 114,680	**$ 364,148**	$ 298,991
Subscription fees	**141,678**	65,688	**392,897**	230,034
Other services	**5,183**	9,512	**20,188**	39,913
Interest income	**984**	12	**984**	50
	225,826	189,892	**778,217**	568,988
EXPENSES				
Advertising	**8,934**	1,592	**15,622**	11,623
Bank charges and interest	**6,465**	8,677	**16,443**	15,981
Other operating expenses	**88,717**	31,421	**171,476**	111,388
Professional fees	**37,017**	2,415	**74,983**	2,415
Allowance for doubtful accounts	**-**	-	**57,008**	-
Government grant	**(7,287)**	-	**(16,788)**	-
Share-based compensation (Note 7, 8)	**91,182**	-	**91,182**	-
Travel	**18,056**	2,290	**33,586**	8,259
Transfer agent and filing fees	**35,937**	-	**36,102**	-
Wages and benefits (Note 7)	**250,565**	139,853	**686,675**	349,026
	529,586	186,248	**1,166,289**	498,692
Income (loss) from operations	**(303,760)**	3,644	**(388,072)**	70,296
Foreign exchange loss	**(5,661)**	(174)	**(8,846)**	(2,372)
Listing expense (Note 5)	**(483,820)**	-	**(483,820)**	-
Other income	**-**	3,000	**-**	3,000
Total comprehensive income (loss)	**(793,241)**	6,470	**(880,738)**	70,924
Earnings (loss) per share – basic and diluted	**$ (0.02)**	$ 0.97	**$ (0.04)**	$ 10.64
Weighted average number of shares outstanding – basic	**39,573,913**	6,666	**22,104,029**	6,666
Weighted average number of shares outstanding – diluted	**43,692,696**	6,666	**23,492,044**	6,666

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

Katipult Technology Corp.
(formerly Deha Capital Corp.)
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars - unaudited)

	Notes	Number of shares	Share Capital	Contributed Surplus	Obligation to issue shares	Retained Earnings (Deficit)	Total
Balance, December 31, 2015		6,666	$ 2	$ -	$ -	$ 189,578	$ 189,580
Total comprehensive income		-	-	-	-	70,924	70,924
Balance, September 30, 2016		6,666	2	-	-	260,502	260,504
Total comprehensive income		-	-	-	-	69,529	69,529
Balance, December 31, 2016		6,666	$ 2	$ -	$ -	$ 330,031	$ 330,033
Cancellation of JOI's shares		(6,666)	-	-	-	-	-
Issuance of the Company's shares to JOI shareholders pursuant to the share exchange agreement	8	42,400,000	-	-	-	-	-
Common shares of the Company issued and outstanding prior to RTO	8	19,200,000	-	-	-	-	-
Share issuance costs	8	200,000	(24,300)	-	-	-	(24,300)
Fair value of shares deemed issued to acquire the Company	5	-	960,000	-	-	-	960,000
Share subscription received	5	-	-	-	41,300	-	41,300
Share-based compensation	8	-	-	91,182	-	-	91,182
Total comprehensive loss		-	-	-	-	(880,738)	(880,738)
Balance, September 30, 2017		**61,800,000**	**$ 935,702**	**$ 91,182**	**$ 41,300**	**$ (550,707)**	**$ 517,477**

Condensed Consolidated Interim Statements of Cash Flows

For the nine months ended September 30,
(Expressed in Canadian Dollars – unaudited)

	Nine months ended September 30, 2017 (Unaudited)	Nine months ended September 30, 2016 (Unaudited)
Cash provided by (used in):	**$**	$
OPERATING ACTIVITIES		
Total comprehensive income (loss)	**(880,738)**	70,924
Items not affecting cash:		
Allowance for doubtful accounts	**57,008**	-
Listing expense (Note 5)	**483,820**	-
Share-based compensation	**91,182**	-
Change in non-cash working capital:		
Trade and other receivables	**(137,040)**	63,156
Accounts payable and accrued liabilities	**56,931**	(6,324)
Due to shareholders	**138**	-
Cash (used in) provided by operating activities	**(328,699)**	127,756
INVESTING ACTIVITIES		
Acquisition of subsidiary (Note 5)	**519,480**	-
Purchase of marketable security	**-**	(120,000)
Purchase of property and equipment	**-**	(3,580)
Cash provided by (used in) investing activities	**519,480**	(123,580)
FINANCING ACTIVITIES		
Share issuance costs	**(24,300)**	-
Share subscription received	**41,300**	-
Cash provided by financing activities	**17,000**	-
CHANGE IN CASH	**207,781**	4,176
CASH, BEGINNING OF PERIOD	**188,360**	217,773
CASH, END OF PERIOD	**396,141**	221,949

1. GENERAL INFORMATION

Katipult Technology Corp. (formerly Deha Capital Corp.) (the "Company" or "Katipult") is a technology company that is a global leader in enterprise software and software related services. The Company is incorporated under the British Columbia Business Corporations Act, and has its registered office address at Suite 600 – 777 Hornby Street, Vancouver, BC V6Z 1S4.

2. BASIS OF PRESENTATION

Statement of compliance

The condensed consolidated interim financial statements of the Company are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These condensed consolidated interim financial statements are unaudited and have been prepared in accordance with IAS 34 "Interim Financial Reporting".

The Company adopted no new IFRSs and interpretations during 2017.

These condensed consolidated interim financial statements do not include all of the information required for annual audited financial statements and should be read in conjunction with the annual audited financial statements for the years ended December 31, 2016 and 2015.

Basis of consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiary, JOI Media Inc. ("JOI"). All inter-company transactions and balances have been eliminated upon consolidation.

These condensed consolidated interim financial statements were approved by the Board of Directors on November 14, 2017.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies of the Company are the same as those applied in the Company's annual audited financial statements for the years ended December 31, 2016 and 2015. These policies have been consistently applied to each of the periods presented, unless otherwise indicated.

Recent accounting pronouncements

Standards issued but not yet effective up to the date of issuance of the Company's financial statements are listed below. This listing is of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1. IFRS 9, Financial Instruments

In July 2014, the IASB completed the final elements of IFRS 9. The standard supersedes earlier version of IFRS 9 and completes the IASB's project to replace IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9, as amended, includes a principle based approach for classification and measurement of financial assets, as single 'expected loss' impairment model and a substantially reformed approach to hedge accounting. The standard will come into effect for annual periods beginning on or after January 1, 2018, with earlier adoption permitted. The Company is currently evaluating the impact of the standard on its financial statements.

2. IFRS 15, Revenue from Contract with Customers

The IASB issued the standard to replace IAS 18 which establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The standard is effective for the annual periods beginning on January 1, 2018, with the required retrospective application and earlier adoption permitted. The Company is currently evaluating the impact of the standard on its financial statements.

3. IFRS 16, Leases

IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead leases are 'capitalized' by recognizing the present value of the lease payments and showing them either as lease assets (right-of-use assets) or together with property, plant and equipment. If lease payments are made over time, a company also recognizes a financial liability representing its obligation to make future lease payments. IFRS 16 is effective for fiscal periods beginning on or after January 1, 2019. The Company is currently evaluating the impact of the standard on its financial statements.

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the condensed consolidated interim financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the condensed consolidated interim financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the condensed consolidated interim financial statements are:

SR&ED tax credits

The determination of the amount of the Alberta SR&ED tax credit receivable requires management to make calculations based on its interpretation of eligible expenditures in accordance with the terms of the programs. The reimbursement claims submitted by the Company are subject to review by the relevant government agencies. Although the Company has used its best judgment and understanding of the related program agreements in determining the receivable amount, it is possible that the amounts could increase or decrease by a material amount in the near-term dependent on the review and audit by the government agency.

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Allowance for uncollectible trade and other receivables

The Company makes use of estimates when making allowances for uncollectible trade and other receivables. The Company evaluates each receivable at year end using factors such as age of receivable, payment history, and credit risk to estimate when determining if an allowance is required, and the amount of the allowance.

Deferred taxes

The recognition of deferred tax assets is based on forecasts of future taxable profit. The measurement of future taxable profit for the purposes of determining whether or not to recognize deferred tax assets depends on many factors, including the Company's ability to generate such profits and the implementation of effective tax planning strategies. The occurrence or nonoccurrence of such events in the future may lead to significant changes in the measurement of deferred tax assets.

5. REVERSE TAKEOVER (“RTO”)

On May 25, 2017, the Company entered into the Share Exchange Agreement with JOI Media Inc. (“JOI”) pursuant to which the Company acquired all of the outstanding common shares of JOI in exchange for the issuance of the Company shares to JOI shareholders on the basis of 6360.636064 Company shares (“Exchange Ratio”). The transaction was completed on August 17, 2017 (“Closing”) and JOI became a wholly-owned subsidiary of the Company. Following completion of the transaction, the Company continued the primary business of JOI.

The Company did not meet the definition of a business at the time of the RTO, therefore the transaction is outside of the scope of IFRS 3 Business Combinations. Instead, the transaction was accounted for as a reverse acquisition under IFRS 2 *Share-based Payment*. Under this basis of accounting, the consolidated entity is considered to be a continuation of the Company, with the net identifiable assets of the Company (accounting acquiree) deemed to have been acquired by JOI (accounting acquirer). The purchase consideration below was estimated based on the fair value of the Company’s common shares that JOI would have had paid to the Company pursuant to the reverse acquisition. Upon completion of the proposed transaction, the fair value of all identifiable assets and liabilities acquired was determined. The carrying value of JOI’s and the Company’s assets and liabilities at Closing are assumed to approximate their fair values as at that date. The fair value of the shares issued is allocated to the carrying value of the net assets acquired. The difference between the purchase consideration and the fair value of net assets acquired is recorded as a cost of public listing.

As JOI was deemed to be the accounting acquirer for accounting purposes, its assets liabilities and operations since incorporation are included in these consolidated financial statements at their historical carrying value. The Company`s results of operations have been included from the date of the RTO. The legal capital of the entity continues to be that of the Company, the legal parent.

(Expressed in Canadian Dollars - unaudited)

5. REVERSE TAKEOVER ("RTO") (continued)

The following represents management's estimate of the fair value of the net assets acquired and total consideration transferred at August 17, 2017 as a result of the reverse acquisition:

Fair value of acquisition (19,200,000 shares at $0.05 per share)	$	960,000
Allocated as follows:		
Identified fair value of net assets:		
Cash	$	469,480
Prepaid deposits		50,000
Accounts payable		(43,300)
		476,180
Listing expense		483,820
	$	960,000

Pursuant to the terms of the Share Exchange Agreement, and subject to completion of certain conditions precedent, including receipt of all necessary director, shareholder, regulatory and TSX Venture Exchange ("TSXV") approvals, the Company has applied to be listed on the TSXV ("Listing").

The Company completed a Special Warrant Financing by issuing 477,000 special warrants (the **"special warrants"**) for gross proceeds of $47,700. The special warrants will be deemed exercised on any public listing. The special warrants are exercisable to acquire the Company's common shares at $0.10 per share without payment of any additional consideration. As of September 30, 2017, the Company received $41,300 from investors. This was recorded as an obligation to issue shares on the Company's statement of financial position.

On April 14, 2017, the Company completed a private placement of units (the "Units") at a price of $0.05 per Unit raising gross proceeds of $520,000 (the "Unit Financing"). Each Unit is comprised of one Common Share (a "Share") and one-half of one common share purchase warrant of the Company (a "Warrant"). Each Warrant requires the holder thereof to purchase one additional Share at a price of $0.10 on or before the date that is six months following the Listing date.

6. MARKETABLE SECURITY

Marketable security consists of a 1 year GIC bearing interest at 1.09% with a maturity date of July 28, 2018.

7. RELATED PARTY TRANSACTIONS

All the Company's related party transactions are in the normal course of business and are initially measured at fair value.

The following is a summary of the Company's related party balances or transactions:

Related party balances

Amounts due to shareholders of $27,879 (December 31, 2016 - $27,741) are due on demand, bear no interest and have no fixed repayment terms.

(Expressed in Canadian Dollars - unaudited)

7. RELATED PARTY TRANSACTIONS (continued)

As at September 30, 2017, $20,355 (December 31, 2016 - $3,000) included in accounts payable and accrued liabilities was payable to an officer and a company controlled by an officer of the Company. Amounts payable to related parties are due on demand, bear no interest and have no fixed repayment terms.

Key management compensation

Key management includes the Company's directors and members of the executive management team. Compensation awarded to key management for the three and nine months ended September 30, 2017 and 2016 included:

	Three months ended September 30, 2017	Three months ended September 30, 2016	**Nine months ended September 30, 2017**	Nine months ended September 30, 2016
Salaries and short-term employee benefits	**$ 82,565**	$ 57,640	**$ 251,149**	$ 123,640
Share – based compensation	**85,745**	-	**85,745**	-
Total	**$ 168,310**	$ 57,640	**$ 336,894**	$ 123,640

8. SHARE CAPITAL

The authorized share capital of the Company consists of unlimited common shares.

Common shares issued:	Number	$
Balance, December 31, 2015 and 2016	6,666	2
Cancellation of JOI's shares	(6,666)	-
Common shares of the Company issued and outstanding prior to RTO	19,200,000	602,775
Issuance of the Company's shares to JOI shareholders at Exchange Ratio	42,400,000	-
Finder's fee shares	200,000	-
Fair value of shares deemed issued to acquire the Company (Note 5)	-	960,000
Eliminate fair value of the Company's share capital value	-	(602,775)
Share issue costs	-	(24,300)
Balance, September 30, 2017	**61,800,000**	**935,702**

Warrants

As of September 30, 2017, there were 5,200,000 Warrants outstanding. Each Warrant requires the holder thereof to purchase one additional Share at a price of $0.10 on or before the date that is six months following the Listing Date. These Warrants were issued in connection with the Unit Financing pursuant to the Share Exchange Agreement (Note 5).

(Expressed in Canadian Dollars - unaudited)

8. SHARE CAPITAL (continued)

Special Warrants

Pursuant to the RTO, the Company issued a total of 477,000 special warrants. The special warrants will be deemed exercised on any public listing of the Company at $0.10 per share without payment of any additional consideration (Note 5).

Options

The Company has adopted a stock option plan whereby a maximum of 10% of the issued and outstanding Shares, from time to time, may be reserved for issuance pursuant to the exercise of options. Under the terms of the Stock Option Plan, options may be granted only to: (i) employees, officers, directors, and consultants of the Company; and (ii) employees, officers, directors, and consultants of an affiliate of the Company.

As at September 30, 2017, the Company issued 2,935,000 options to executive officers, directors, consultants and employees. Each option is exercisable to purchase one common share of the Company at a price of $0.10 per share until August 25, 2022.

During the nine months ended September 30, 2017, the Company recorded share-based payment expense on options granted at a fair value of $91,182 determined using the Black-Scholes option pricing model and the following assumptions: share price of $0.05, expected share price volatility of 95.87%, expected life of five years and risk-free interest rate of 1.41%.

9. FINANCIAL INSTRUMENTS

Fair value

The carrying value of cash, trade and other receivables, marketable security, accounts payable and accrued liabilities and due to shareholders approximates their fair values due to the immediate or short-term maturity of these financial instruments.

Credit risk

Maximum exposure to credit risk, in a worst case scenario, is set out as follows:

	September 30, 2017 **$**	December 31, 2016 $
Cash	**396,141**	188,360
Trade and other receivables	**141,900**	61,868
Marketable security	**120,000**	120,000
	658,041	370,228

Credit and liquidity risk associated with cash and the marketable security is managed by ensuring assets are placed with major financial institutions with strong investment grade ratings.

9. FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

Credit risk on trade and other receivables reflects the risk that the Company may be unable to recover them. The Company manages its credit risk by closely monitoring the granting of credit. Trade and other receivables that are greater than 30 days are considered past due. Based on the status of trade and other receivables, an allowance for doubtful accounts of $57,008 has been recorded as at September 30, 2017 (December 31, 2016 - $nil).

The aging of trade and other receivables as at September 30, 2017 is as follows:

	September 30, 2017 **$**	December 31, 2016 $
Current	**13,007**	24,742
1 – 30 days	**45,198**	33,453
31 – 60 days	**1,302**	725
61 – 90 days	**11,069**	1,912
91 and over	**128,332**	1,036
Total	**198,908**	61,868
Allowance for doubtful accounts	**(57,008)**	-
Total	**141,900**	61,868

Liquidity risk

The Company is subject to liquidity risk on its accounts payable and accrued liabilities, due to shareholders and loan payable as it may encounter difficulty discharging its obligations. The Company attempts to mitigate this risk by structuring the terms of the debt to enable the Company to meet its monthly obligations.

All the Company’s financial liabilities are due within one year at September 30, 2017.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Company manages exposure through its normal operating and financing activities. The Company is exposed to minimal interest rate risk on its cash balances as they carry a floating rate of interest.

Foreign currency risk

The Company does engage in significant transactions and activities in currencies other than its functional currency. Depending on the timing of the transactions and the applicable currency exchange rates such conversions may positively or negatively impact the Company. Foreign currency balances, subject to exchange rate fluctuations, were as follows (amounts shown in Canadian dollar equivalent):

9. FINANCIAL INSTRUMENTS (continued)

Foreign currency risk (continued)

	September 30, 2017 **$**	December 31, 2016 $
Cash	**144,722**	143,913
Trade and other receivables	**171,568**	24,910
Accounts payable and accrued liabilities	**(7,448)**	-
Total	**308,842**	168,823

The following table demonstrates the sensitivity of the Company's total comprehensive income (loss) to a 10% increase or decrease in the Canadian dollar against the foreign exchange rates (amounts shown in Canadian dollar equivalent).

	September 30, 2017 **$**	December 31, 2016 $
10% strengthening in the Canadian dollar	**(32,374)**	(16,882)
10% weakening in the Canadian dollar	**32,374**	16,882

10. CAPITAL MANAGEMENT

Capital disclosures provide information about (i) the Company's objectives, policies, and processes for managing capital, (ii) quantitative data about what the Company regards as capital, (iii) whether the Company has complied with any capital requirements, and (iv) if it has not complied, the consequences of such non-compliance.

The Company's objectives for managing capital are:

i. To safeguard the Company's ability to continue as a going concern, so that it can provide adequate returns for shareholders and benefits for other stakeholders.
ii. To ensure sufficient liquidity to enable the internal financing of capital thereby facilitating its ability to continue operations and eventually achieve profitable operations.
iii. To maintain a strong capital base so as to maintain investor, creditor and market confidence.

The Company considers the items included in capital to include shareholders' equity. The Company manages its capital structure and makes adjustments to it in light of changes in economic and business conditions, financing environment and the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, new debt, or scale back the size and nature of its operations. The Company is not subject to externally imposed capital requirements. As at September 30, 2017, shareholders' equity was $517,477 (December 31, 2016 - $330,033).

11. SUBSEQUENT EVENTS

No subsequent events.