

LOMBARD STREET CAPITAL CORP.

a capital pool corporation

CONDENSED INTERIM FINANCIAL STATEMENTS

For the three and six months ended December 31, 2024

(expressed in Canadian dollars)

LOMBARD STREET CAPITAL CORP.

a capital pool corporation

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by CPA Canada for a review of interim financial statements by an entity's auditor.

LOMBARD STREET CAPITAL CORP.**Condensed Interim Statement of Financial Position****(Expressed in Canadian dollars)**

As at		December 31, 2024	June 30, 2024
	Notes		
ASSETS			
Current assets			
Cash and cash equivalents		\$ 3,589,831	\$ 1,014,675
Deferred and other current assets	5	31,094	23,535
Total current assets		3,620,925	1,038,210
TOTAL ASSETS		\$ 3,620,925	\$ 1,038,210
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		\$ 16,043	\$ 15,020
Income tax provision		-	6,000
Total current liabilities		16,043	21,020
Total liabilities		16,043	21,020
SHAREHOLDERS' EQUITY			
Share capital	6	3,375,888	1,000,000
Share purchase warrant reserve	7	194,152	-
Share-based payment reserve	8	302,730	75,840
Deficit		(267,888)	(58,650)
Total shareholders' equity		3,604,882	1,017,190
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 3,620,925	\$ 1,038,210
Nature of operations and going concern	1		

Approved on behalf of the Board of Directors:

"Justin Reid"

Director

"Denis Arsenault"

Director

LOMBARD STREET CAPITAL CORP.**Condensed Interim Statement of Operations and Comprehensive Loss****(Expressed in Canadian dollars)**

		Three months ended December 31, 2024	Six months ended December 31, 2024
	Note		
Expenses			
Professional fees		\$ 7,626	\$ 10,682
General and administrative expenses		2,466	2,861
Stock-based compensation	8, 9	226,890	226,890
Loss before other items		236,982	240,433
Other items			
Interest income	5	(31,296)	(31,340)
Loss before income tax		205,686	209,093
Income tax expense		145	145
Net loss and comprehensive loss for the period		\$ 205,831	\$ 209,238
Net loss per share			
Basic and diluted		\$ 0.01	\$ 0.01
Weighted average common shares outstanding			
Basic and diluted		31,512,586	25,813,501

*No comparative figures are provided as the Company
was incorporated on January 31, 2024.*

LOMBARD STREET CAPITAL CORP.
Condensed Interim Statement of Cash Flows
(Expressed in Canadian dollars)

	Notes	Six months ended December 31, 2024
CASH FLOWS FROM:		
Operating activities		
Net loss for the period		\$ (209,238)
Items not involving cash		
Stock-based compensation	8	226,890
		<u>17,652</u>
Net change in non-cash working capital items:		
Deferred and other current assets	5	(7,559)
Accounts payable and accrued liabilities		1,023
Income tax provision		(6,000)
		<u>(12,536)</u>
Cash flows provided by operating activities		<u>5,116</u>
Financing activities		
Private placement proceeds	6	42,105
Proceeds from Initial Public Offering ("IPO")	6	3,000,000
Cost of issue on IPO	6	(472,065)
Cash flows provided by financing activities		<u>2,570,040</u>
Investing activities		
Cash flows provided by investing activities		<u>-</u>
Net change in cash and cash equivalents		2,575,156
Cash and cash equivalents, beginning of the period		<u>1,014,675</u>
Cash and cash equivalents, end of the period		<u>\$ 3,589,831</u>
CASH AND CASH EQUIVALENTS CONSIST OF:		
Cash		\$ 110,831
Cash equivalents		3,479,000
		<u>\$ 3,589,831</u>

*No comparative figures are provided as the Company
was incorporated on January 31, 2024.*

LOMBARD STREET CAPITAL CORP.

Condensed Interim Statement of Changes in Shareholders' Equity

(Expressed in Canadian dollars)

	Note	Number of Shares	Share Capital	Share purchase warrant reserve	Share-based payment reserve	Deficit	Total Shareholders' equity
Balance as at January 31, 2024 (on incorporation)		-	\$ -	\$ -	\$ -	\$ -	\$ -
Private placement, seed round	6	20,000,000	1,000,000	-	-	-	1,000,000
Share-based compensation	8	-	-	-	75,840	-	75,840
Net loss for the period		-	-	-	-	(58,650)	(58,650)
Balance as at June 30, 2024		20,000,000	\$ 1,000,000	\$ -	\$ 75,840	\$ (58,650)	\$ 1,017,190
Private placement	6	421,053	42,105	-	-	-	42,105
Initial Public Offering	6	30,000,000	3,000,000	-	-	-	3,000,000
Cost of issue	6	-	(472,065)	-	-	-	(472,065)
Broker warrants	6, 7	-	(194,152)	194,152	-	-	-
Share-based compensation	8	-	-	-	226,890	-	226,890
Net loss for the period		-	-	-	-	(209,238)	(209,238)
Balance as at December 31, 2024		50,421,053	\$ 3,375,888	\$ 194,152	\$ 302,730	\$ (267,888)	\$ 3,604,882

LOMBARD STREET CAPITAL CORP.

Notes to the Condensed Interim Financial Statements

For the three and six months ended December 31, 2024

(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS

Lombard Street Capital Corp. (the “Company”) was incorporated on January 31, 2024 under the laws of Ontario, Canada. The Company has not commenced operations and has no assets other than cash. The Company completed an Initial Public Offering (“IPO”) on November 28, 2024, and is classified as a Capital Pool Corporation as defined in Policy 2.4 of the TSX Venture Exchange. The principal business of the Company is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Company’s registered office is located at 36 Lombard Street, 4th Floor, Toronto, Ontario, M5C 2X3. All dollar amounts are Canadian dollars unless otherwise noted.

The Company’s continuing operations are dependent upon its ability to identify, evaluate and negotiate an agreement to acquire an interest in a material asset or business. Such an acquisition will be subject to the approval of the TSX Venture Exchange. When a Qualifying Transaction has been identified, the ability of the Company to complete the transaction may require additional funding. There is no assurance that the Company will be successful in obtaining any additional funding

2. BASIS OF PRESENTATION AND COMPLIANCE

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including International Account Standard (“IAS”) 34, “Interim Financial Reporting”. The policies set out in the Company’s annual financial statements for the period from incorporation (January 31, 2024) to June 30, 2024 were consistently applied to all periods presented unless otherwise noted below.

These financial statements of the Company for the three and six months ended December 31, 2024 were approved and authorized for issue by the Board of Directors on February 21, 2024.

The preparation of financial statements in accordance with International Accounting Standards (“IAS”) 1, Preparation of Financial Statements, requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company’s accounting policies.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The proposed business of the Company, and the completion of a Qualifying Transaction, involves a high degree of risk. There is no assurance that the Company will identify an appropriate business for acquisition or investment, and even if so identified and warranted, it may not be able to finance such an acquisition or investment within the requisite time period. Additional funds will be required to enable the Company to pursue such an initiative, and the Company may be unable to obtain such financing on terms which are satisfactory to it. Furthermore, there is no assurance that the business will be profitable. Should the Company be unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its statement of financial position. These financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate. Such adjustments could be material.

LOMBARD STREET CAPITAL CORP.

Notes to the Condensed Interim Financial Statements
For the three and six months ended December 31, 2024
(Expressed in Canadian dollars)

2. BASIS OF PRESENTATION AND COMPLIANCE (continued)

These financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

3. SIGNIFICANT ACCOUNTING POLICIES

Existing accounting policies

These condensed interim financial statements reflect the accounting policies described in Note 3 to the Company's audited financial statements for the period from incorporation, January 31, 2024, to June 30, 2024, with the exception of any changes set out below.

New and future accounting policies

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after July 1, 2024 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2024. The Company adopted this accounting policy with no material effect.

IFRS 9 and IFRS 7 -- In May 2024, the IASB issued amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments – Disclosures. The amendments clarify the derecognition of financial liabilities and introduce an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system. The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features and the treatment of non-recourse assets and contractually linked instruments (CLIs). Further, the amendments mandate additional disclosures in IFRS 7 for financial instruments with contingent features and equity instruments classified at FVOCI. The amendments are effective for annual periods starting on or after January 1, 2026. Retrospective application is required, and early adoption is permitted.

LOMBARD STREET CAPITAL CORP.

Notes to the Condensed Interim Financial Statements
For the three and six months ended December 31, 2024
(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

IFRS 18 – In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements to improve reporting of financial performance. The new standards replace IAS 1 Presentation of Financial Statements. IFRS 18 introduces new categories and requires subtotals in the statement of profit and loss and also requires disclosure of management-defined performance measures. It also includes new requirements for the location, aggregation and disaggregation of financial information. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements. Retrospective application is required, and early adoption is permitted.

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. These financial statements include estimates, which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised, on a prospective basis. The revision may affect current or both current and future periods.

Information about critical judgments and estimates in applying accounting policies, and areas where assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following areas:

Share-based payments

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments for share-based payments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Income, value added, withholding and other taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

LOMBARD STREET CAPITAL CORP.

Notes to the Condensed Interim Financial Statements
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(Expressed in Canadian dollars)

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

The amounts recognized in the financial statements are derived from the Company's best estimation and judgement as described above. However, the inherent uncertainty regarding the outcome of these items means that eventual resolution could differ from the accounting estimates and therefore impact the Company's financial position and its financial performance and cash flows.

5. DEFERRED AND OTHER CURRENT ASSETS

Deferred and other current assets includes accrued interest on Guaranteed Investment Certificates ("GICs") in which the Company has invested its excess cash. Prepaid costs that were related to the IPO, include legal costs, initial listing and agent fees and translation costs, were expensed upon the completion of the IPO in November 2024.

6. SHARE CAPITAL

At December 31, 2024, the authorized share capital of the Company consisted of an unlimited number of common shares without par value. As at December 31, 2024, there were 50,421,053 common shares outstanding.

	No. of Shares	Balance
Balance on incorporation, January 31, 2024	-	\$ -
Private placement, seed round	20,000,000	1,000,000
Balance, June 30, 2024	20,000,000	\$ 1,000,000
Private placement	421,053	42,105
Initial Public Offering	30,000,000	3,000,000
Cost of issue	-	(665,947)
Balance, December 31, 2024	50,421,053	\$ 3,376,158

On September 5, 2024, the Company closed a non-brokered private placement financing issuing 421,053 common shares of the Company to directors and officers of the Company at a price of \$0.10 per share for gross proceeds of \$42,105 (Note 9).

On November 28, 2024, the Company completed an IPO issuing 30,000,000 common shares at a price of \$0.10 per share raising gross proceeds of \$3,000,000. iA Private Wealth Inc. acted as agent for the IPO. As compensation, the agent received 1) a cash commission of \$275,142 which was equal to 10% (6% in respect of up to \$1,500,000 in subscription from subscribers referred by the Company) of the gross proceeds of the offering; 2) 2,564,985 broker options exercisable at \$0.10 per share to purchase common shares of the Company expiring 24 months following the date on which the Company completes a Qualifying Transaction; 3) a one-time work fee of \$12,500; and 4) out-of-pocket expenses including agent legal disbursements.

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(Expressed in Canadian dollars)

6. SHARE CAPITAL (continued)

All issued and outstanding common shares are subject to a uniform 18-month escrow release schedule following completion of a Qualifying Transaction and will be released as to 25% on the date of the final Qualifying Transaction Exchange bulletin and an additional 25% on each of the dates that are 6, 12 and 18 months thereafter, pursuant to the terms of an Escrow Agreement dated as of September 5, 2024 between the Company, TSX Trust Company, and the shareholders of the Company.

All common shares acquired on exercise of stock options granted to directors and officers prior to completion of a Qualifying Transaction must also be deposited and held in escrow pursuant to the requirements of the Exchange.

7. SHARE PURCHASE WARRANT RESERVE

iA Private Wealth, acting as agents in connection with the IPO, received 2,564,985 broker options to purchase up to 2,564,985 common shares of the Company at an exercise price of \$0.10 per share. These options are exercisable at any time prior to the earlier of (i) two years following the date on which the Company completes its Qualifying Transaction and (ii) November 28, 2029, being five years from the listing date of the Company's common shares. The value of these options was estimated using the Black-Scholes option pricing model with the following assumptions:

Exercise Price	Grant Date	Expiry Date	Number Outstanding	Number Exercisable	Value (\$)	Weighted Average Remaining Contractual Life (years)	Assumptions				
							Share price	Expected Dividend Yield	Expected Volatility	Risk-free Interest rate	Expected Average Life (years)
\$ 0.10	November 28, 2024	November 28, 2026	2,564,985	2,564,985	194,152	1.91	\$ 0.10	0%	100.00%	3.18%	5.00

As the date on which the Company completes its Qualifying Transaction is uncertain, a five-year expected life was used as an input for the valuation model.

8. SHARE-BASED PAYMENT RESERVE

The Company adopted a stock option plan whereby up to a maximum of 10% of the outstanding shares of the Company as of the date of grant are reserved for the grant and issuance of incentive stock options. Under the plan, the exercise price of an option may not be set at less than the minimum price permitted by the TSX Venture Exchange, and the options may be exercisable for up to ten years. The aggregate number of options granted to any one individual during any twelve-month period may not exceed 5% of the issued and outstanding common shares of the Company, or 2% of the issued and outstanding common shares of the Company in the case of technical consultants. The Board of Directors determines the exercise price per common share, the number of options granted to individual directors, officers, employees and consultants and all other terms and conditions of the options.

LOMBARD STREET CAPITAL CORP.

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(Expressed in Canadian dollars)

8. SHARE-BASED PAYMENT RESERVE (continued)

On November 28, 2024, the Company granted 3,000,000 stock options to directors and officers of the Company with an exercise price of \$0.10 expiring five years from the date of issuance (Note 8). All common shares acquired on exercise of stock options granted to directors and officers prior to completion of a Qualifying Transaction must also be deposited and held in escrow pursuant to the requirements of the Exchange.

Exercise Price	Grant Date	Expiry Date	Number Outstanding	Number Exercisable	Value	Weighted Average Remaining Contractual Life (years)	Assumptions				
							Share price	Expected Dividend Yield	Expected Volatility	Risk-free Interest rate	Expected Average Life (years)
\$ 0.05	June 25, 2024	June 25, 2029	2,000,000	2,000,000	\$ 75,840	4.48	\$0.05	0%	100%	3.41%	5.00
\$ 0.10	November 28, 2024	November 28, 2029	3,000,000	3,000,000	\$226,890	4.91	\$0.10	0%	100%	3.08%	5.00
Total			5,000,000	5,000,000	\$302,730	4.74					

9. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions in the ordinary course of business with related parties that are not subsidiaries of the Company.

Directors and officers of the Company subscribed for a total of 421,053 shares valued at \$42,105 during the private placement financing that closed on September 5, 2024.

Directors and officers subscribed for a total of 1,300,000 shares that were issued on November 28, 2024 as part of the IPO.

Directors and officers were granted 3,000,000 stock options of the Company at an exercise price of \$0.10 expiring November 28, 2029.

Compensation of key management personnel of the Company

Key management consists of the officers and directors who are responsible for planning, directing, and controlling the activities of the Company. All related party transactions are carried out in the normal course of operation. As at December 31, 2024, there were no balances owing to related parties. Compensation costs included only stock options as detailed in the table below.

	Three months ended December 31, 2024		Six months ended December 31, 2024	
Share-based payments	\$	226,890	\$	226,890

LOMBARD STREET CAPITAL CORP.

Notes to the Condensed Interim Financial Statements

For the three and six months ended December 31, 2024

(Expressed in Canadian dollars)

10. 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 which is comprised of issued share capital, share-based payment reserve and deficit. The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company's primary source of capital is through the issuance of common shares. The Company manages and adjusts its capital structure when changes in economic conditions occur. To maintain or adjust the capital structure, the Company may seek additional funding. The Company may require additional capital resources to meet its administrative overhead expenses in the long term. The Company believes it will be able to raise capital as required in the long term but recognizes there will be risks involved that may be beyond its control. The Company is not subject to any externally imposed capital requirements, but as a Capital Pool Corporation, expenditure restrictions applicable under Policy 2.4 apply on completion of the IPO. These expenditure restrictions limit the aggregate amount that the Company is permitted to spend on reasonable general and administrative costs of the Company, not exceeding in aggregate of \$3,000 per month, and reasonable expenses incurred related to a Qualifying Transaction.

11. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities were classified as follows:

	Assets at amortized cost	Assets at fair value through profit or loss	Liabilities at amortized cost	Total
As at December 31, 2024				
Cash and cash equivalents	\$ 110,831	\$ 3,479,000	\$ -	\$ 3,589,831
Accounts payable and accrued liabilities	-	-	16,043	16,043

The carrying values of cash and cash equivalents, accounts payable and accrued liabilities approximate fair value due to the short-term nature of the financial instruments.

A fair value hierarchy prioritizes the methods and assumptions used to develop fair value measurements for those financial assets where fair value is recognized on the statement of financial position. These have been prioritized into three levels.

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – Inputs for the asset or liability that are not based on observable market data.

The following table sets forth the Company's financial assets and liabilities measured at fair value by level within the fair value hierarchy as at December 31, 2024:

	Level 1	Level 2	Level 3	TOTAL
As at December 31, 2024				
Cash equivalents	\$ 3,479,000	\$ -	\$ -	\$ 3,479,000

LOMBARD STREET CAPITAL CORP.

Notes to the Condensed Interim Financial Statements

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(Expressed in Canadian dollars)

11. FINANCIAL INSTRUMENTS (continued)

Fair value amounts represent point-in-time estimates and may not reflect fair value in the future. The measurements are subjective in nature, involve uncertainties and are a matter of significant judgment.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no significant changes in the risks, objectives, policies and procedures for managing risk during the three and six months ended December 31, 2024.

Credit risk

The Company's credit risk is primarily attributable to cash and cash equivalents. The Company has no significant concentration of credit risk arising from operations. Cash and cash equivalents consist of bank deposits and guaranteed investment certificates, which have been invested with reputable financial institutions, from which management believes the risk of loss to be remote. Management believes that the credit risk concentration with respect to these financial instruments is remote.

Liquidity risk

The Company manages liquidity risk by maintaining adequate cash and cash equivalent balances. The Company continuously monitors and reviews both actual and forecasted cash flows, and also matches the maturity profile of financial assets and liabilities.

As at December 31, 2024, the Company had current assets of \$3,620,925 to settle current liabilities of \$16,043. Approximately \$9,750 of the Company's financial liabilities as at December 31, 2024 have contractual maturities of less than 30 days and are subject to normal trade terms.