

5729841 MB Ltd.
o/a Black Label Automation and Electrical
Compiled Financial Information
December 31, 2022

To the Management of 5729841 MB Ltd.

On the basis of information provided by management, we have compiled the balance sheet of 5729841 MB Ltd. o/a Black Label Automation and Electrical as at December 31, 2022, the statement of earnings and retained earnings for the year then ended, and Note 1, 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.

Winnipeg, Manitoba

May 25, 2023



Chartered Professional Accountants

5729841 MB Ltd.
o/a Black Label Automation & Electrical
Balance Sheet
As at December 31, 2022

| | 2022 | 2021 |
|---|------------------|-------------|
| Assets | | |
| Current | | |
| Cash | 1,582,759 | 314,647 |
| Accounts receivable | 972,345 | 172,345 |
| Goods and Services Tax receivable | - | - |
| Receivable from shareholders | 151 | 5,537 |
| | 2,954,589 | 492,529 |
| Equipment (Note 2) | 238,733 | 137,433 |
| | 3,193,322 | 629,962 |
| Liabilities | | |
| Current | | |
| Accounts payable | 835,634 | 293,634 |
| Goods and Services Tax payable | 25,710 | 685 |
| | 930,664 | 294,319 |
| Long-term debt | 56,215 | 96,438 |
| | 986,879 | 390,757 |
| Shareholders' Equity | | |
| Share capital | 60 | 60 |
| Retained earnings | 2,206,383 | 2,206,383 |
| | 2,206,443 | 2,206,443 |
| | 3,193,322 | 3,193,322 |
| Approved on behalf of Management | | |
| _____ | | |

5729841 MB Ltd.
o/a Black Label Automation & Electrical
Statement of Earnings and Retained Earnings
For the year ended December 31, 2022

| | 2022 | 2021 |
|---|------------------|-------------|
| Sales | 7,225,554 | 3,870,107 |
| Cost of sales | 4,745,204 | 3,305,166 |
| Gross margin | 2,480,350 | 564,941 |
| Expenses | | |
| Advertising and promotion | 30,592 | 21,010 |
| Amortization | 56,367 | 36,533 |
| Automotive | 84,448 | 56,761 |
| Bad debts | 10,307 | - |
| Insurance | 36,407 | 18,568 |
| Interest and bank charges | 66,650 | 20,109 |
| Meals and entertainment | 26,974 | 21,737 |
| Office | 19,453 | 30,283 |
| Penalties | 323 | 8,243 |
| Professional development | 382 | 1,866 |
| Professional fees | 4,185 | 3,855 |
| Repairs and maintenance | 35,548 | 17,688 |
| Salaries, wages and benefits | 385,587 | 220,788 |
| Security | 12,577 | - |
| Telephone, fax and internet | 15,681 | 5,269 |
| Tools | 10,347 | 11,421 |
| Travel | 32,482 | 18,411 |
| Utilities | - | - |
| Maintenance | 21,684 | 23,848 |
| | 849,994 | 516,390 |
| Net earnings | 1,630,356 | 48,551 |
| Retained earnings, beginning of year | 576,027 | 527,476 |
| Retained earnings, end of year | 2,206,383 | 576,027 |

5729841 MB Ltd.
o/a Black Label Automation & Electrical
Notes to the Compiled Financial Information
For the year ended December 31, 2022

1. Basis of accounting

The basis of accounting applied in the preparation of the financial information of 5729841 MB Ltd. o/a Black Label Automation & Electrical as at December 31, 2022 is on the historical basis, reflecting cash transactions with the addition of:

- accounts receivable
- equipment amortized for accounting purposes
- accounts payable
- goods and services tax payable

2. Equipment

| | | | 2022 | 2021 |
|----------------------|----------------|-------------------------------------|---------------------------|---------------------------|
| | Cost | Accumulated amortization | Net book value | Net book value |
| Automotive | 243,406 | 116,366 | 127,040 | 95,602 |
| Automation equipment | 113,939 | 23,252 | 90,687 | 15,552 |
| Equipment | 39,293 | 18,287 | 21,006 | 26,279 |
| | 396,638 | 157,905 | 238,733 | 137,433 |
