ACASTA ENTERPRISES INC.

FINANCIAL STATEMENTS

For the year ended December 31, 2016 and the period from inception on June 19, 2015 to December 31, 2015

(Expressed in Canadian Dollars)

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The financial statements of Acasta Enterprises Inc. (the "Company"), the accompanying notes thereto and other financial information contained in the Company's management's discussion and analysis are the responsibility of, and have been prepared by management. These financial statements have been prepared in accordance with International Financial Reporting Standards and, where appropriate, include management's best estimates and judgments. Management has reviewed the financial information presented throughout the documents accompanying these financial statements and has ensured it is consistent with the financial statements.

Management maintains a system of internal control designed to provide reasonable assurance that assets are safeguarded from loss or unauthorized use, and that financial information is timely and reliable. However, any system of internal control over financial reporting, no matter how well designed and implemented, has inherent limitations and may not prevent or detect all misstatements. The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and internal control. The Audit Committee, which is comprised of directors, none of whom are employees of the Company, reviews the interim and annual financial statements and management's discussion and analysis of the Company and recommends them for approval by the Board of Directors. The Audit Committee reports its findings to the Board of Directors before the financial statements are approved by the Board.

KPMG LLP, an independent firm of Chartered Professional Accountants, was appointed by the shareholders of the Company to examine the financial statements and provide an independent professional opinion as to their compliance with International Financial Reporting Standards. The auditor has full and unrestricted access to the Audit Committee to discuss the audit and related matters.

(Signed)
Anthony R. Melman
Chief Executive Officer

(Signed)
Richard J. Smith
Chief Operating Officer and Chief Financial Officer

Toronto, Canada
March 2, 2017

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of Acasta Enterprises Inc.

We have audited the accompanying consolidated financial statements of Acasta Enterprises Inc., which comprise the consolidated statements of financial position as at December 31, 2016 and December 31, 2015, the consolidated statements of comprehensive loss, changes in shareholders' equity (deficiency) and cash flows for the year ended December 31, 2016 and for the period from inception on June 19, 2015 to December 31, 2015, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Acasta Enterprises Inc. as at December 31, 2016 and December 31, 2015, and its consolidated financial performance and its consolidated cash flows for the year ended December 31, 2015 and for the period from inception on June 19, 2015 to December 31, 2015 in accordance with International Financial Reporting Standards.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants
March 2, 2017
Toronto, Canada

ACASTA ENTERPRISES INC.

STATEMENTS OF FINANCIAL POSITION

(expressed in Canadian dollars)

	Note(s)	As at December 31, 2016	As at December 31, 2015
ASSETS			
Current			
Cash		$ 187,259	$ 3,095,608
Amounts receivable and prepaid expenses		621,742	362,370
Restricted cash and cash equivalents held in escrow	4	405,001,874	-
		$ 405,810,875	$ 3,457,978
Restricted cash and cash equivalents held in escrow	4	-	403,156,851
Other assets	9	709,965	-
TOTAL ASSETS		**$ 406,520,840**	**$ 406,614,829**
LIABILITIES			
Current			
Accounts payable and accrued liabilities		$ 8,778,285	$ 110,363
Amounts due to related party	8	423,003	143,636
Deferred underwriters' commission	7	13,081,250	-
Class A Restricted Voting Shares subject to redemption	1, 5	409,342,500	-
		431,625,038	253,999
Deferred underwriters' commission	7	-	13,081,250
Class A Restricted Voting Shares subject to redemption	1, 5	-	382,375,000
		$ 431,625,038	**$ 395,710,249**
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Share capital	6	$ 14,994,824	$ 14,994,824
Warrants	6	3,938,897	3,938,897
Deficit		(44,037,919)	(8,029,141)
		$ (25,104,198)	**$ 10,904,580**
Subsequent events (Notes 1, 5, 6, 7, 8, 15 and 16)			
Commitments and contingencies (Note 11)			
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		**$ 406,520,840**	**$ 406,614,829**

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

Approved by the Board:

(Signed)
Geoff Beattie
Director

(Signed)
Johan Eliasch
Director

ACASTA ENTERPRISES INC.
STATEMENTS OF COMPREHENSIVE LOSS

(expressed in Canadian dollars, except share and per share amounts)

	Note		For the year ended December 31, 2016		From inception on June 19, 2015 to December 31, 2015 (Note 1)
REVENUE					
Interest income	4	$	1,845,023	$	656,851
EXPENSES AND OTHER ITEMS IN NET INCOME (LOSS)					
Transaction costs	7	$	-	$	23,494,053
General and administrative			10,886,301		1,291,939
Net unrealized loss (gain) on change in fair value of financial liabilities	5		26,967,500		(16,100,000)
		$	37,853,801	$	8,685,992
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD		**$**	**(36,008,778)**	**$**	**(8,029,141)**
BASIC AND DILUTED LOSS PER SHARE	12	**$**	**(3.85)**	**$**	**(1.09)**
Weighted average number of Class B shares outstanding					
- Basic and diluted	12		**9,349,648**		**7,390,238**

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

ACASTA ENTERPRISES INC.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)

For the period from inception on June 19, 2015 to December 31, 2015 (Note 1)

(expressed in Canadian dollars, except for number of Class B Shares and Warrants issued and outstanding)

		Class B Shares		Warrants			
	Note	**Number**	**Amount**	**Number**	**Amount**	**Deficit**	**Total**
Balance on inception, June 19, 2015		-	$ -	-	$ -	$ -	$ -
Issuance of Class B Share to Sponsor	1	1	10	-	-	-	10
Issuance of Class B Share to Founders	6	10,442,031	25,000	-	-	-	25,000
Issuance of Class B Units	6	1,518,124	15,029,428	759,062	151,812	-	15,181,240
Issuance of Warrants pursuant to Offering	5, 6	-	-	20,125,000	4,025,000	-	4,025,000
Transaction costs	7	-	(59,614)	-	(237,915)	-	(297,529)
Net and comprehensive loss for the period		-	-	-	-	(8,029,141)	(8,029,141)
Balance, December 31, 2015		**11,960,156**	**$ 14,994,824**	**20,884,062**	**$ 3,938,897**	**$ (8,029,141)**	**$ 10,904,580**

For the year ended December 31, 2016

(expressed in Canadian dollars, except for number of Class B Shares and Warrants issued and outstanding)

		Class B Shares		Warrants			
	Note	**Number**	**Amount**	**Number**	**Amount**	**Deficit**	**Total**
Balance, December 31, 2015		**11,960,156**	**$ 14,994,824**	**20,884,062**	**$ 3,938,897**	**$ (8,029,141)**	**$ 10,904,580**
Net and comprehensive loss for the year		-	-	-	-	(36,008,778)	(36,008,778)
Balance, December 31, 2016		**11,960,156**	**$ 14,994,824**	**20,884,062**	**$ 3,938,897**	**$ (44,037,919)**	**$ (25,104,198)**

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

ACASTA ENTERPRISES INC.
STATEMENTS OF CASH FLOWS

(expressed in Canadian dollars)

	Note(s)	For the year ended December 31, 2016	From inception on June 19, 2015 to December 31, 2015
			(Note 1)
OPERATING ACTIVITIES			
Net loss		$ (36,008,778)	$ (8,029,141)
Non-cash items included in net loss and other adjustments			
Interest income earned on restricted cash and cash equivalents held in escrow	4	(1,845,023)	(656,851)
Transaction costs associated with financing activities	7	-	23,494,053
Net unrealized loss (gain) on change in the fair value of financial liabilities	5	26,967,500	(16,100,000)
Changes in non-cash working capital			
Amounts receivable and prepaid expenses		(259,372)	(362,370)
Accounts payable and accrued liabilities		8,667,922	110,363
Amounts due to related party	8	279,367	143,636
CASH FROM (USED IN) OPERATING ACTIVITIES		**$ (2,198,384)**	**$ (1,400,310)**
INVESTING ACTIVITIES			
Interest received on restricted cash and cash equivalents held in escrow		$ 1,850,203	$ 651,671
Proceeds on maturity of restricted cash and cash equivalents held in escrow		2,020,533,110	-
Investment in restricted cash and cash equivalents held in escrow		(2,022,383,313)	(403,151,671)
CASH USED IN INVESTING ACTIVITIES		**$ -**	**$ (402,500,000)**
FINANCING ACTIVITIES			
Proceeds from issuance of Class B Share to Sponsor	1, 6	$ -	$ 10
Proceeds from issuance of Class B Shares to Founders	1, 6	-	25,000
Proceeds from issuance of Class B Units to Founders	1, 6	-	15,181,240
Proceeds from issuance of Class A Restricted Voting Units	1, 5	-	402,500,000
Transaction costs associated with issuance of Class A Restricted Voting Shares	7	-	(10,543,615)
Transaction costs associated with issuance of Class B Shares and Warrants	7	-	(166,717)
Transaction costs associated with credit facility	9	(634,965)	-
Transaction costs associated with private placement	1, 9	(75,000)	-
CASH PROVIDED BY FINANCING ACTIVITIES		**$ (709,965)**	**$ 406,995,918**
NET INCREASE (DECREASE) IN CASH DURING THE PERIOD		**$ (2,908,349)**	**$ 3,095,608**
CASH, BEGINNING OF PERIOD		**3,095,608**	**-**
CASH, END OF PERIOD		**$ 187,259**	**$ 3,095,608**

1. Organization and Nature of Operations

Acasta Enterprises Inc. (the "Company") is a special purpose acquisition corporation incorporated on June 19, 2015 under the laws of the Province of Ontario (Canada) for the purpose of effecting an acquisition of one or more businesses or assets, by way of a merger, amalgamation, arrangement, share exchange, asset acquisition, share purchase, reorganization, or any other similar business combination (a "Qualifying Acquisition"). As more fully described in the notes to these financial statements, the Company completed the Transaction (as defined below) on January 3, 2017 (note 16). The operating results reported in the comparative period are not comparable to the results of the current year as they only contain and represent activity that is limited to the period from June 19, 2015, being the date of incorporation, to December 31, 2015.

The Company was formed by Acasta Capital Inc. ("Acasta Capital"), a private boutique merchant bank and advisory firm with a wealth of knowledge across diverse industries. On June 19, 2015, Acasta Capital purchased one Class B share ("Class B Share") of the Company for $10.

On July 30, 2015, the Company closed its initial public offering (the "Offering") of 35,000,000 Class A restricted voting units of the Company ("Class A Restricted Voting Units") at a price of $10.00 per Class A Restricted Voting Unit for gross proceeds of $350,000,000. On August 5, 2015, the underwriters exercised their over-allotment option to purchase an additional 5,250,000 Class A Restricted Voting Units, at a price of $10.00 per Class A Restricted Voting Unit for gross proceeds of $52,500,000. After these two closings, a total of 40,250,000 Class A Restricted Voting Units were issued for total gross proceeds to the Company of $402,500,000.

Each Class A Restricted Voting Unit consisted of one Class A restricted voting share ("Class A Restricted Voting Share") and one half of one share purchase warrant ("Warrant"). Each full Warrant will become exercisable commencing February 2, 2017, being 30 days after the completion of the Transaction, and is exercisable to purchase one Class B Share at an exercise price of $11.50. Each Warrant expires on January 3, 2022. The Company may accelerate the expiry date of the outstanding Warrants by providing 30 days' notice if the closing price of the Class B Shares equals or exceeds $24.00 per Class B Share (as adjusted for stock splits or combinations, stock dividends, extraordinary dividends, reorganizations and recapitalizations) for any 20 trading days within a 30-trading day period. On September 8, 2015, the Company's Class A Restricted Voting Shares and Warrants each commenced trading on the Toronto Stock Exchange ("TSX") under the symbol "AEF.A" and "AEF.WT", respectively.

Prior to the closing of the Offering on July 30, 2015, the Company's founders ("Founders"), including directors, advisors, senior officers, Acasta Capital (the "Sponsor") and senior officers of the Sponsor purchased a total of 10,442,031 Class B Shares for $25,000 at a price of $0.0024 per Class B Share (the "Founders' Shares"). In addition, concurrent with the closing of the Offering on July 30, 2015, the Founders purchased 1,400,000 Class B Units ("Class B Units") at an offering price of $10.00, being the equivalent price of each Class A Restricted Voting Unit on initial issuance, for a total of $14,000,000. Further, on August 5, 2015, the Founders purchased an additional 118,124 Class B Units in connection with the exercise by the Company's underwriters of the over-allotment option at an offering price of $10.00 for a total of $1,181,240. Each Class B Unit consisted of one Class B Share and one-half of one Warrant. Each full Warrant entitles the holder to purchase one Class B Share of the Company at a price of $11.50. Each Warrant expires on January 3, 2022.

1. Organization and Nature of Operations (continued)

Upon closing of the Offering and the issuance of Class A Restricted Voting Units pursuant to the exercise of the over-allotment option, the Company placed $10.00 per Class A Restricted Voting Unit sold in an escrow account with the Company's escrow agent.

By way of agreement entered into at the time of the Offering (the "Forfeiture Agreement"), 25% of the Founders' Shares held by each Founder were subject to forfeiture on the fifth anniversary of a Qualifying Acquisition unless the closing share price of the Class B Shares exceeded $13.00 (as adjusted for stock splits or combinations, stock dividends, extraordinary dividends, reorganizations and recapitalizations) for any 20 trading days within a 30-trading day period at any time following the closing of a Qualifying Acquisition (the "Contingent Shares"). Under the terms of the Forfeiture Agreement, the Contingent Shares were subject to additional transfer restrictions until the $13.00 closing Class B Share price condition is satisfied, at which point they would have, if applicable, become subject to the same ongoing restrictions applicable to the other Founders' Shares at that time (which may include escrow restrictions required by the TSX). As discussed below, in connection with the closing of the Transaction, the Forfeiture Agreement was amended and restated.

On November 10, 2016, the Company announced that it had entered into definitive agreements to acquire (1) substantially all of the assets of each of Apollo Health and Beauty Care Partnership and Apollo Laboratories Inc. (collectively, "Apollo") and (2) all of the issued and outstanding shares of JemPak Corporation ("JemPak" and together with Apollo, the "Consumer Products Platform"), and (3) all of the issued and outstanding equity interests of entities comprising the business of Stellwagen Finance Company Limited ("Stellwagen") (each an "Acquisition", and collectively, the "Transaction"). The Transaction constituted the Company's Qualifying Acquisition.

On December 2, 2016, the Company filed a long-form prospectus (the "Prospectus") containing further details of the terms and conditions of the Transaction.

On December 20, 2016, the Transaction was approved by a simple majority (greater than 50%) of the votes cast, in person or by proxy, by the holders of Class A Restricted Voting Shares and Class B Shares voting together as a single class at a special meeting of the Company's shareholders. Regardless of whether shareholders voted for or against, or did not vote on, the Transaction, holders of Class A Restricted Voting Shares could elect to redeem all or a portion of their Class A Restricted Voting Shares at a per-share price of $10.04, payable in cash, which was equal to their per-share amount deposited in the escrow account, adjusted for interest or other amounts earned and net of applicable taxes payable on such interest and other amounts earned and net of direct expenses related to the redemption (the "Redemption Right"). In connection with the Transaction, 28,454,222 Class A Restricted Voting Shares were redeemed on January 3, 2017, representing an aggregate redemption amount of $285,680,389.

On December 22, 2016, the Company entered into a credit facility agreement conditional on the closing of the Transaction (the "Credit Facility"). The Credit Facility was amended following closing of the Transaction and provides for $50,000,000 and $100,000,000 of revolving and term loan credit capacity, respectively. On January 3, 2017, the Company borrowed $15,000,000 under the revolver and $50,000,000 under the term loan.

1. Organization and Nature of Operations (continued)

In connection with the Transaction, the Company issued an additional 15,955,050 Class B shares for aggregate gross proceeds of $159,550,500 by way of a private placement (the "Private Placement") on January 3, 2017.

The Transaction closed on January 3, 2017, at which time the funds held in the escrow account were released, the borrowings under the Credit Facility were made available to the Company and the Private Placement was completed, which in the aggregate, satisfied the amounts payable on account of (1) the cash component of the purchase consideration arising from the Transaction, (2) Class A Restricted Voting Shares redeemed, (3) transaction related expenses and (4) the deferred underwriters' commission, which was due and payable by the Company to the underwriters upon the closing of a Qualifying Acquisition (note 7). On January 6, 2017, the 11,795,778 Class A Restricted Voting Shares not otherwise redeemed were automatically converted into Class B Shares on a one-for-one basis (note 5).

In connection with the Transaction, the Founders obtained the consent of the TSX to modify the terms of the Forfeiture Agreement such that upon the completion of the Transaction, 50% of the Founders' Shares held by each Founder (the "Revised Contingent Shares") will be restricted on the following terms: (i) until January 3, 2018, the Revised Contingent Shares may not be transferred; (ii) for the period from January 3, 2018 to January 3, 2021, the Revised Contingent Shares will only become transferable if (a) the closing share price of the Class B Shares exceeds $15.00 (as adjusted for stock splits or combinations, stock dividends or distributions (including any dividend or distribution of securities of any investment or investee entity of the Company or any reorganization transaction implemented by the Company for the purpose of distributing ownership of any investee entity or business to shareholders of the Company), extraordinary dividends, reorganizations, above market issuer bids and recapitalizations) for any 20 trading days within a 30-trading day period and (b) a realization event (a "Realization Event"), as explained further below, has occurred; and (iii) after January 3, 2021, the Revised Contingent Shares will only become transferable if (a) the closing share price of the Class B Shares exceeds $18.00 (as adjusted for stock splits or combinations, stock dividends or distributions (including any dividend or distribution of securities of any investment or investee entity of the Company or any reorganization transaction implemented by the Company for the purpose of distributing ownership of any investee entity or business to shareholders of the Company), extraordinary dividends, reorganizations, above market issuer bids and recapitalizations) for any 20 trading days within a 30-trading day period beginning after January 3, 2021 and (b) a Realization Event has occurred. In respect of 50% of the Revised Contingent Shares, a Realization Event shall occur if the Company raises a private equity fund of at least $1 billion prior to January 3, 2019. In respect of the remaining 50% of the Revised Contingent Shares, a Realization Event shall occur if the Company achieves a value Realization Event for its investment in its Consumer Products Platform. Such value Realization Event may take the form of a sale to the Company's planned private equity fund, a strategic merger with other similar businesses, or a separate public listing of the current platform or resultant combined entity.

1. Organization and Nature of Operations (continued)

The remaining Founders' Shares that are not Revised Contingent Shares will continue to be restricted from transfer until the earlier of: (i) January 3, 2018; and (ii) the closing share price of the Class B Shares equaling or exceeding $12.00 per Class B Share (as adjusted for stock splits or combinations, stock dividends or distributions (including any dividend or distribution of securities of any investment or investee entity of the Company or any reorganization transaction implemented by the Company for the purpose of distributing ownership of any investee entity or business to shareholders of the Company), extraordinary dividends, reorganizations, above market issuer bids and recapitalizations) for any 20 trading days within a 30-trading day period at any time following Closing, subject to applicable securities laws, TSX rules and applicable escrow requirements.

The Company's head office is located at 150 Bloor Street West, Suite 310, Toronto, Ontario, Canada, M5S 2X9. As of December 31, 2016, the Company's business activities were carried out as a single business segment, consistent with the nature of its current operations prior to a Qualifying Acquisition.

2. Basis of Preparation

Statement of Compliance
These consolidated financial statements of the Company have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") as well as Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), issued and outstanding as of March 2, 2017, the date on which the Board of Directors approved such consolidated financial statements (the "Consolidated Financial Statements"). The Consolidated Financial Statements have been prepared on a going concern basis.

Basis of Measurement
The financial statements have been prepared on the historical cost basis, except the Class A Restricted Voting Shares, which are stated at fair value.

The financial statements are presented in Canadian dollars. The Canadian dollar is the Company's functional currency.

Critical Accounting Judgments, Estimates, and Assumptions
The preparation of these financial statements requires the Company to make judgments in applying its accounting policies and estimates and assumptions about the future. These judgments, estimates and assumptions affect the Company's reported amounts of assets, liabilities, and items in net income or loss, and the related disclosure of contingent assets and liabilities, if any. The Company evaluates its estimates on an ongoing basis. Such estimates are based on various assumptions that the Company believes are reasonable under the circumstances, and these estimates form the basis for making judgments about the carrying value of assets and liabilities and the reported amount of items in net earnings or loss that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. Set out below are the most significant accounting judgments, estimates and assumptions that the Company has made in the preparation of these financial statements.

2. Basis of Preparation (continued)

Critical Accounting Judgments, Estimates, and Assumptions (continued)

- *Accounting for Class A Restricted Voting Shares.* The Class A Restricted Voting Shares are recorded in the Company's statement of financial position as a financial liability and classified at fair value through profit and loss ("FVTPL"). Holders of Class A Restricted Voting Shares have a Redemption Right with respect to their shares, such that the Company has a contractual obligation to deliver cash to those shareholders electing to exercise their Redemption Rights. The Company has elected to apply the fair value measurement option with respect to the Class A Restricted Voting Shares as the Redemption Right is an embedded derivative allowing holders of such shares to put their shares to the Company for cash under certain circumstances.

- *Fair Value of Financial Instruments.* Certain financial instruments are recorded in the Company's statement of financial position at values that are representative of, or approximate their fair value. The fair value of a financial instrument that is traded in active markets at each reporting date is determined by its quoted market price. Changes in the underlying trading value may significantly affect the amount of net earnings or loss for a particular period. Furthermore, the quoted market price of a financial liability may not be equal to the amount that the Company would have to pay in settlement of the underlying obligation, should such obligation become immediately payable.

- *Warrant Valuation.* The Company issued Warrants pursuant to the offering of Class A Restricted Voting Units and Class B Units (note 6). Estimating the fair value of the Warrants at the date of issuance required determining the most appropriate valuation model reflecting the terms and conditions of the Warrants. The Company applied an option-pricing model to measure the fair value of the Warrants issued and then applied a further discount to such fair value to reflect the uncertainty associated with the completion of a Qualifying Acquisition, which was a prerequisite in order for the Warrants to become exercisable. Application of the option-pricing model required estimates in various input variables including expected dividend yields, expected volatility in the underlying shares and the expected life of the Warrant. These estimates may ultimately differ from amounts subsequently realized.

- *Share-Based Payments.* In connection with the Offering and in conjunction with the subscription for Class B Units, the Founders collectively acquired the Founders' Shares for $25,000. The issuance of the Founders' Shares was considered a share-based payment for accounting purposes. The fair value of this share-based payment was deemed to be negligible by virtue of the fact that (1) the Founders' Shares were acquired by individual Founders in direct proportion to their investment in Class B Units, (2) a portion of the Founders' Shares were subject to additional restrictions including the potential risk of forfeiture under certain circumstances in the future, and (3) the issuance of Founders' Shares was representative of the at-risk capital invested by the Founders combined with their investment in Class B Units (unlike the Class A Restricted Voting Shares, the Class B shares do not have a right of redemption by the holder). The Founders' Shares were recorded at their exchange amount in equity (note 6).

3. Significant Accounting Policies

The Company's accounting policies and its standards of financial disclosure set out below are in accordance with IFRS and have been applied consistently throughout the period presented in these financial statements, unless otherwise stated.

Restricted Cash and Cash Equivalents Held in Escrow
Restricted cash and cash equivalents are considered restricted because they are held in escrow and subject to certain release conditions. The amounts held in escrow include short-term investments. Short-term investments, comprising money market instruments, have a maturity of 90 days or less at their date of purchase and are stated at cost, which approximates fair value.

Share Capital
The Company's Class B Shares and Warrants are classified as equity as they are contracts representative of a residual interest in the assets of the Company after deducting all of its liabilities. Incremental costs directly attributable to the issuance of Class B Shares and Warrants are recognized as a deduction from equity.

Financial Instruments
The Company's financial instruments include cash, restricted cash and cash equivalents held in escrow, amount receivable, accounts payable and accrued liabilities, amounts due to related party, and Class A Restricted Voting Shares subject to redemption (which have been classified for accounting purposes as liabilities).

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or are assigned to third parties and the Company has transferred substantially all risks and rewards of ownership in respect of the asset.

Financial instruments are classified as one of the following: (i) FVTPL; (ii) loans and receivables; (iii) held-to-maturity; (iv) available-for-sale; or (v) other liabilities. Financial instruments are recognized initially at fair value.

Financial assets and liabilities classified at FVTPL are subsequently measured at fair value with gains and losses recognized in profit and loss. Financial instruments classified as held-to-maturity, loans and receivables or other liabilities are subsequently measured at amortized cost. Available-for-sale financial instruments are subsequently measured at fair value and any unrealized gains and losses are recognized through other comprehensive income and presented in the fair value reserve in equity.

Financial liabilities are derecognized when the related obligation is discharged, cancelled or when it expires. Classification of financial instruments in these Financial Statements depends on the purpose for which the financial instruments were acquired or incurred. Management determines the classification of financial instruments at initial recognition.

Loans and receivables and other financial liabilities are recognized at amortized cost using the effective interest rate method. Such accounts include accounts payable and accrued liabilities and amounts due to related party.

3. Significant Accounting Policies (continued)

Financial Instruments (continued)

All financial instruments recognized at fair value in the statement of financial position are classified into one of three levels in the fair value hierarchy as follows:

- Level 1 – valuation based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities.
- Level 2 – valuation techniques based on inputs that are quoted prices of similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; inputs other than quoted prices used in a valuation model that are observable for that instrument; and inputs that are derived from or corroborated by observable market data by correlation or other means.
- Level 3 – valuation techniques with significant unobservable market inputs.

Classification of Financial Assets

Financial assets are classified at fair value through profit or loss, or as loans and receivables. Cash and restricted cash and cash equivalents held in escrow are classified as loans and receivables and accounted for at amortized cost.

Impairment of Financial Assets at Amortized Cost

The Company assesses whether there is objective evidence that a recorded financial asset is impaired at each financial statement reporting date. Impairment exists if one or more events have occurred after the initial recognition of the asset and those events have objectively given rise to an expected negative impact on the estimated future cash flows of the financial asset that can be reliably estimated. The Company recognizes impairment if the expected undiscounted future cash flows is less than the carrying amount of the asset. The amount of this difference is recognized as the impaired amount and is recorded profit or loss. An impairment of a financial asset carried at amortized cost is reversed in subsequent periods if the amount of the loss decreased and the decrease can be related objectively to an event occurring after the impairment was recognized.

Classification of Financial Liabilities

The Company's Class A Restricted Voting Shares include certain redemption rights that are outside of the Company's control and subject to various uncertain future events. The Company has classified its Class A Restricted Voting Shares subject to redemption as a separate financial liability and measured at fair value, with subsequent changes to such fair value to be recognized through profit or loss. Transaction costs related to financial liabilities classified or designated as financial liabilities are recorded as expenses at fair value profit or loss. Financial liabilities at amortized cost include accounts payable and accrued liabilities and due to related party. These amounts are initially measured at the estimated amount required to be paid less a discount to reduce the liabilities to fair value, when material.

Fair Value Measurements

The Company measures fair value under IFRS 13, Fair Value Measurement, which provides a single source of fair value measurement guidance. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company has applied the framework for measuring fair value which requires a fair value hierarchy to be applied to all fair value measurements.

3. Significant Accounting Policies (continued)

Income Taxes
The Company follows the balance sheet liability method to provide for income taxes. The balance sheet liability method requires that income taxes reflect the expected future tax consequences of temporary differences between the carrying amounts of assets and liabilities and their underlying tax bases. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized and the liability is settled.

The effect on deferred income tax assets and liabilities of a change in tax rates is recognized within profit or loss in the period that includes the substantive enactment date. Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all of part of the asset to be recovered.

Loss per Share
Basic loss per Class B Share is calculated by dividing the net loss attributable to holders of the Class B Shares of the Company by the weighted average number of Class B Shares outstanding during the period. The Contingent Shares, as defined, are contingently subject to forfeiture and consequently excluded from the determination of the weighted average number of Class B Shares outstanding until such time as these shares are no longer subject to forfeiture.

Diluted loss per share is calculated using the "if converted method" and is determined by adjusting the net loss attributable to the holders of the Class B Shares and the weighted average number of Class B Shares outstanding for the dilutive effects of the Warrants.

Accounting Standards, Interpretations and Amendments to Existing Standards not yet Effective
Certain new standards, amendments and interpretations have been published that are mandatory for the Company's accounting periods beginning on or after January 1, 2017 that the Company has decided not to early adopt, as applicable. The following are standards, amendments and interpretations that may be relevant to the Company in preparing its financial statements in future periods:

- *Amendments to IAS 7, Statement of Cash Flow ("IAS 7")*. The Company will be required to adopt amendments to IAS 7, requiring disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes for annual periods beginning on or after January 1, 2017. Management is currently evaluating the potential impact, if any, that the adoption of IAS 7 will have on the Company's financial statements.

- *Amendments to IAS 12, Income Taxes ("IAS 12")*. The Company will be required to adopt amendments to IAS 12 in its financial statements for annual periods beginning on or after January 1, 2017. This amendment clarifies the deferred tax treatment for debt instruments and the determination of 'future taxable profit' for the recognition of deferred tax assets. The amendments clarify that the existence of a deductible temporary difference on debt instruments measured at fair value are dependent solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. Management is currently evaluating the potential impact, if any, that the adoption of IAS 12 will have on the Company's financial statements.

3. Significant Accounting Policies (continued)

Accounting Standards, Interpretations and Amendments to Existing Standards not yet Effective (continued)

- *IFRS 9, Financial Instruments ("IFRS 9").* IFRS 9 sets out requirements for the classification and measurement of financial assets and financial liabilities. The new standard specifies that financial assets are to be measured at either amortized cost or fair value on the basis of the reporting entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The classification and measurement of financial liabilities designated at fair value through profit or loss remain generally unchanged; however, fair value changes attributable to changes in the Company's own credit risk for financial liabilities designated at fair value through profit or loss are to be recorded in other comprehensive income unless they offset amounts recorded in income. IFRS 9 introduces a new single impairment model for financial assets. The new model is based on expected credit losses will result in credit losses being recognized regardless of whether a loss event has occurred. The expected credit loss model will apply to most financial instruments not measured at fair value, with the most significant impact being to loans. The expected credit loss model requires the recognition of credit losses based on a 12-month time horizon for performing loans and also requires the recognition of lifetime expected credit losses for loans that experience a significant deterioration in credit risk since inception. IFRS 9 also introduces a new hedge accounting model that expands the scope of eligible hedged items and risks eligible for hedge accounting and aligns hedge accounting more closely with risk management. The new model no longer specifies quantitative measures for effectiveness testing and does not permit hedge de-designation. IFRS 9 is effective for the Company's fiscal year commencing on January 1, 2018. Early adoption is permitted for the entire standard. Additionally, the own credit risk presentation requirements can be early adopted prior to adopting the other requirements of IFRS 9. Management is currently evaluating the potential impact, if any, that the adoption of IFRS 9 will have on the Company's financial statements.

- *IFRS 15, Revenue from Contracts with Customers ("IFRS 15").* IFRS 15 replaces the existing standards for revenue recognition. The new standard establishes a framework for the recognition and measurement of revenue generated from contracts with customers, with the exception of revenue earned from contracts that are within the scope of other standards, such as financial instruments, insurance contracts and leases. The new standard also requires additional disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from transactions with the Company's customers. IFRS 15 is effective for the Company's fiscal year beginning January 1, 2018. Management is currently evaluating the potential impact, if any, that the adoption of IFRS 15 will have on the Company's financial statements.

- *IFRS 16, Leases ("IFRS 16").* IFRS 16 provides guidance for leases whereby lessees will recognize a liability for the present value of future lease liabilities and record a corresponding right of use asset on the balance sheet. IFRS 16 is effective for the Company's fiscal year beginning January 1, 2019. Early adoption is permitted, provided IFRS 15 has been adopted. Management is currently evaluating the potential impact, if any, that the adoption of IFRS 16 will have on the Company's financial statements.

(Expressed in Canadian Dollars)

3. Significant Accounting Policies (continued)

Newly Adopted Standards

The following are new standards, amendments and interpretations that were adopted by the Company beginning effective January 1, 2016:

- *Amendments to IAS 1, Presentation of Financial Statements ("IAS 1").* The Company was required to adopt amendments to IAS 1, which includes amendments to further encourage companies to apply judgment in determining what information to disclose in their financial statements for annual periods beginning on or after January 1, 2016. Management has concluded that the amendments to IAS 1 had no impact on the Company's financial statements.

- *Amendments to IFRS 7, Financial Instruments: Disclosures ("IFRS 7").* The Company was required to adopt amendments to IFRS 7, requiring increased disclosure regarding derecognition of financial assets and the continuing involvement accounting in connection with servicing contracts for annual periods beginning on or after January 1, 2016. Management has concluded that the adoption of the amended IFRS 7 had no impact on the Company's financial statements.

4. Restricted Cash and Cash Equivalents Held In Escrow

As of December 31, 2016 and 2015, the carrying value of the Company's cash or investments held in escrow are as follows.

		As at December 31, 2016		As at December 31, 2015
Cash held in trust account	$	405,001,874	$	-
Government of Canada Treasury Bills		-		403,151,671
Accrued interest		-		5,180
Total	**$**	**405,001,874**	**$**	**403,156,851**

The fair value of the Company's investment in Government of Canada Treasury Bills at December 31, 2016 was $Nil (December 31, 2015 - $403,156,851) as the amounts were held in cash at a Canadian chartered bank. During the year ended December 31, 2016 and period from inception on June 19, 2015 to December 31, 2015, the Company received interest of $1,850,203 and $651,671, respectively, on its investments held in escrow.

(Expressed in Canadian Dollars)

5. Class A Restricted Voting Shares Subject to Redemption

Authorization
Prior to January 3, 2017, the Company was authorized to issue an unlimited number of Class A Restricted Voting Shares. The holders of Class A Restricted Voting Shares had no pre-emptive rights or other subscription rights and there were no sinking fund provisions applicable to these shares. On the closing of the Transaction on January 3, 2017, each of the Company's Class A Restricted Voting Shares not submitted for redemption was automatically converted into a Class B Share, following which, the Company will no longer issue Class A Restricted Voting Shares.

Voting Rights
Holders of Class A Restricted Voting Shares were not entitled to vote on, or receive notice of meeting materials in respect of customary annual general meeting matters, including the election and removal of directors and auditors. The holders of the Class A Restricted Voting Shares would, however, be entitled to vote on and receive notice of meeting materials on all other matters requiring shareholder approval, including approval of a proposed Qualifying Acquisition. On December 20, 2016, the Transaction was approved by a simple majority (greater than 50%) of the votes cast, in person or by proxy, by the holders of Class A Restricted Voting Shares and Class B Shares voting together as a single class at a special meeting of the Company's shareholders.

Redemption Rights
In addition to the Redemption Right described in Note 1, holders of Class A Restricted Voting Shares were entitled to redeem their shares, subject to certain conditions, and were entitled to receive the escrow proceeds, as determined at a point in time, from the escrow account in the event that the Company did not complete a Qualifying Acquisition within a prescribed timeframe.

Classification
The Company has classified its Class A Restricted Voting Shares as financial liabilities within the statement of financial position. This liability has been classified as current because the deadline to complete a Qualifying Acquisition was April 30, 2017 (unless otherwise extended), which is within twelve months of these financial statements. At each financial statement reporting date, changes in its fair value are recorded with the corresponding movement recorded through profit or loss. The redemption rights embedded in the terms of the Company's Class A Restricted Voting Shares, which allow holders to redeem these shares for cash, and the exercise of such redemption rights are considered by the Company to be outside of the Company's control and subject to uncertain future events. The fair value of the hybrid instrument, being the Company's Class A Restricted Voting Shares is determined by reference to its quoted market price on the TSX. As at December 31, 2016, the trading price of the Company's Class A Restricted Voting Shares closed at $10.17 per share.

Issued and Outstanding

	CLASS A RESTRICTED VOTING SHARES	
	Number	Amount
Balance, December 31, 2015	**40,250,000**	**$ 382,375,000**
Adjusted for:		
Unrealized change in fair value	-	26,967,500
Balance, December 31, 2016	**40,250,000**	**$ 409,342,500**

(Expressed in Canadian Dollars)

6. Shareholders' Equity (Deficiency)

The Company is authorized to issue an unlimited number of Class B Shares without nominal or par value. The holders of Class B Shares have no pre-emptive rights or other subscription rights and there are no sinking fund provisions applicable to these shares.

Holders of Class B Shares are entitled to vote at all meetings of shareholders and on all matters requiring a shareholder vote, with the exception of a vote to approve an extension of the permitted timeline within which the Company is required to complete its Qualifying Acquisition, which will only be voted upon by holders of Class A Restricted Voting Shares.

Holders of Class B Shares do not have any redemption rights with respect to their Class B Shares, or rights to distributions from the escrow account.

The following is a summary of the Class B Shares issued and outstanding:

Issued and Outstanding

	Number		Amount
Balance, December 31, 2015 and December 31, 2016	**11,960,156**	**$**	**14,994,824**

The following is a summary of the Class B Warrants issued and outstanding:

Issued and Outstanding

	Number		Amount
Balance, December 31, 2015 and December 31, 2016	**20,884,062**	**$**	**3,938,897**

The Warrants are not exercisable by the holder until February 2, 2017, being 30 days after the Company completed the Transaction. Following the Transaction, each Warrant entitles the holder to purchase one Class B Share at an exercise price of $11.50, subject to normal anti-dilution adjustments. The Warrants expire on January 3, 2022, being five years after the Company completed the Transaction.

(Expressed in Canadian Dollars)

7. Transaction Costs and Deferred Underwriting Commission

The Transaction costs are directly related to the Offering and exercise of the overallotment option, and consist principally of legal, accounting, printing, filing and underwriting costs. Transaction costs incurred from inception on June 19, 2015 to December 31, 2015 were allocated between shareholders' equity and the statements of net loss and comprehensive loss on the following basis:

	CLASS A RESTRICTED VOTING SHARES,	CLASS B SHARES	WARRANTS	TOTAL
Underwriters' commission	$ 8,965,688	$ -	$ 90,562	$ 9,056,250
Deferred underwrites' commission	12,950,438	-	130,812	13,081,250
Professional fee (legal, accounting, etc.)	1,221,393	46,144	12,803	1,280,340
Printing	67,690	2,557	710	70,957
Other	288,844	10,913	3,028	302,785
Total	**$ 23,494,053**	**$ 59,614**	**$ 237,915**	**$ 23,791,582**

The Company's underwriters are entitled to a commission equal to $22,137,500 representing 5.5% of the gross proceeds of the Class A Restricted Voting Units issued under the Offering and exercise of the over-allotment option. The Company paid $9,056,250, representing $0.225 per Class A Restricted Voting Unit, to the underwriters at the closing of the Offering and over-allotment option. The balance of the underwriting commission of $13,081,250, or $0.325 per Class A Restricted Voting Unit, was deferred and recognized as a liability in the Company's statement of financial position as a result of a past event and based on the Company's expectation that the settlement of the obligation is probable within the prescribed period to complete a Qualifying Acquisition. The deferred commission was released to the underwriters upon completion of the Transaction. As the underwriter's commission relates entirely to the issuance of Class A Restricted Voting Units, the portion applicable to the Class A Restricted Voting Shares was expensed through transaction costs.

(Expressed in Canadian Dollars)

8. Related Party Transactions

Transactions with Acasta Capital include a payment of $25,000 (plus applicable taxes) per month for office space and related services pursuant to an administrative services agreement entered into between the Company and Acasta Capital and reimbursement of out-of-pocket expenses incurred by directors, officers and consultants of the Company which were paid by Acasta Capital in connection with certain activities on the Company's behalf, including identifying possible business targets and Qualifying Acquisitions. Amounts incurred under the administrative services agreement during the year ended December 31, 2016 and the period from inception on June 19, 2015 to December 31, 2015 were $300,000 and $125,000, respectively, and are included in general and administrative expenses. The agreement with Acasta Capital terminated by its terms on the closing of the Transaction on January 3, 2017.

During the year ended December 31, 2016 and the period from inception on June 19, 2015 to December 31, 2015, Acasta Capital incurred $293,152 and $92,843, respectively, in certain expenses (net of reimbursable taxes) on behalf of the Company including travel costs, along with other costs. These costs have been or will be reimbursed by the Company.

As of December 31, 2016, $423,003 (December 31, 2015 - $143,636) is due to Acasta Capital. Amounts due to related party are currently non-interest bearing and are payable following the closing of a Qualifying Acquisition. A portion of such amount payable to Acasta Capital has been settled since completion of the Transaction. The fair value of the amounts due to a related party approximates their carrying amount.

At December 31, 2016 and 2015, Acasta Capital, together with the Company's Founders owned 11,960,156 Class B Shares of the Company, representing 22.91% of the Company's issued and outstanding shares, including the Company's Class A Restricted Voting Shares.

There has been no direct remuneration paid to the Company's directors or officers since inception.

9. General and Administrative Expenses by Nature

	For the year ended December 31, 2016	From inception on June 19, 2015 to December 31, 2015
Professional fees	$ 9,746,445	$ 969,423
Fees to Acasta Capital pursuant to administrative services agreement	300,000	125,000
Out-of-pocket expenses incurred by Acasta Capital on Company's behalf	293,152	92,843
Insurance	128,344	17,775
Other costs	418,360	86,898
Total general and administrative expense	**$ 10,886,301**	**$ 1,291,939**

In the year ended December 31, 2016, the Company incurred commitment fees and legal costs totaling $634,965 in connection with the Credit Facility, and an additional $75,000 in legal costs related to the Private Placement (note 1). These costs, totaling $709,965 have been deferred at December 31, 2016 and included in other assets.

(Expressed in Canadian Dollars)

10. Income Taxes

The provision for income taxes differs from the recovery that would be obtained by applying the Canadian statutory income tax rate as a result of the following:

	For the year ended December 31, 2016	From inception on June 19, 2015 to December 31, 2015
Income tax recovery based on applicable statutory tax rate of 26.5%	$ (9,542,000)	$ (2,128,000)
Re-measurement gain – Class A Restricted Voting Shares	7,146,000	(4,267,000)
Non-deductible transaction costs	2,571,000	-
Current period tax losses and other deductible temporary differences for which no deferred tax asset is recognized	(175,000)	6,395,000
Income tax expense	**$ -**	**$ -**

Deferred tax assets are recognized if management has determined that it is probable that such deferred tax assets may be recovered. The recoverability of deferred tax assets is partially dependent on the nature, terms and conditions of any completed Qualifying Acquisition. As at December 31, 2016 and 2015, management believes that the following deductible temporary differences do not currently meet the criteria for recognition:

	As at December 31, 2016	As at December 31, 2015
Operating loss carry forwards	$ 7,289,000	$ 3,190,000
Unamortized share issue costs	16,478,000	21,236,000
Total	**$ 23,767,000**	**$ 24,426,000**

(Expressed in Canadian Dollars)

11. Commitments and Contingencies

Administrative Services Agreement
The Company has entered into an administrative services agreement with Acasta Capital for office space and related services. Under the terms of the agreement, the Company was obligated to pay $25,000 (plus applicable taxes) per month to Acasta Capital and to reimburse it for out-of-pocket expenses incurred by directors, officers and consultants of the Company which were paid by Acasta Capital in connection with certain activities on the Company's behalf, including identifying possible business targets and Qualifying Acquisitions. The agreement with Acasta Capital terminated by its terms on the closing of the Transaction on January 3, 2017 (note 1).

Forfeiture of Founders' Shares and Restrictions on Transfer, Assignment or Sale of Founders' Shares
Refer to note 1 for a description of the forfeiture provisions, and amendments thereto, relating to the Founders' Shares and the restrictions on the transfer, assignment or sale of Founders' Shares.

Commitment to Stellwagen Group's Senior Loan Fund
In connection with the Company's acquisition of the Stellwagen Group on January 3, 2017 (note 16), the Company committed to invest US$100,000,000 into Stelloan Investment Company I DAC, an investment fund managed by a wholly-owned subsidiary of the Stellwagen Group. The Company expects to invest the committed amount during 2017.

12. Net Loss Per Share

The following is the net loss per share calculation for the year ended December 31, 2016 and the period from inception on June 19, 2015 to December 31, 2015.

	For the year ended December 31, 2016	From inception on June 19, 2015 to December 31, 2015
Net loss attributable to owners of Class B Shares	$ 36,008,778	$ 8,029,141
Weighted average number of Class B Shares outstanding during the period	9,349,648	7,390,238
Basic and diluted loss per share	$ **3.85**	**$ 1.09**

Net loss per share is computed by dividing the net loss incurred during the period by the weighted-average number of Class B Shares outstanding during the period. The Contingent Shares are contingently subject to forfeiture and consequently excluded from the determination of the weighted average number of Class B Shares outstanding until such time as these shares are no longer subject to forfeiture. The calculation of the net loss per share also excludes the effect of Class A Restricted Voting Shares, as the Class A Restricted Voting Shares have been classified in these financial statements as financial liabilities.

The Company did not take into effect any dilutive securities in calculating the net loss per share because the dilutive securities are either anti-dilutive or the Company reported a net loss in the relevant period. As a result, diluted loss per Class B Share is the same as the basic loss per share for the periods.

(Expressed in Canadian Dollars)

13. Financial Instruments

Fair Value Measurements

The following table summarizes the assets and liabilities that are included at their fair values in the Company's statement of financial position as at December 31, 2016 and 2015. These assets and liabilities have been categorized into hierarchal levels, according to the significance and reliability of the inputs used in determining fair value measurements.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company uses various methods in estimating the fair values of assets and liabilities that are measured at fair value on recurring or non-recurring basis in the statement of financial position.

Restricted cash and cash equivalents held in escrow are valued using a valuation technique with market-observable inputs, namely interest rates for Government of Canada Treasury Bills with similar terms and conditions (Level 2). As at December 31, 2016, all restricted cash and cash equivalents were held in the form of cash (Level 1).

As allowed under IFRS 13, Fair Value Measurement, if an asset or a liability measured at fair value has a bid price and an ask price, the price within the bid-ask spread that is the most representative of fair value in the circumstances shall be used to measure fair value. The Company has elected to use the quoted market price as a practical expedient for fair value measurement for its Class A Restricted Voting Shares.

		Fair Value as at December 31, 2016		
	Carrying value as at December 31, 2016	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Recurring Measurements				
Financial Assets				
Restricted cash and cash equivalents held in escrow (note 4)	$ 405,001,874	$ 405,001,874	$ -	$ -
Financial Liabilities				
Class A Restricted Voting Shares subject to redemption (note 5)	409,342,500	409,342,500	-	-

		Fair Value as at December 31, 2015		
	Carrying value as at December 31, 2015	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Recurring Measurements				
Financial Assets				
Restricted cash and cash equivalents held in escrow (note 4)	$ 403,156,851	$ -	$ 403,156,851	$ -
Financial Liabilities				
Class A Restricted Voting Shares subject to redemption (note 5)	382,375,000	382,375,000	-	-

14. Financial Risk Management

The Company is exposed to financial risks due to the nature of its business and the financial assets and liabilities that it holds. The Company's overall risk management strategy seeks to minimize potential adverse effects of the Company's financial performance. The Company's financial risk exposures and the impact on the Company's financial instruments are as follows:

- **Market risk:** Market risk is the risk that a material loss arises from fluctuations in a financial instrument's fair value. For purposes of this disclosure, the Company segregates market risk into three categories: fair value risk, interest rate risk and currency risk, which are discussed in further detail below.

- **Fair value risk:** Fair value risk is the potential for loss from an adverse movement in market prices. The Company is exposed to fair value risk in respect of its Class A Restricted Voting Shares, which are carried in the Company's financial statements at their fair value. A 1% absolute change in the fair value of Class A Restricted Voting Shares as of period end would result in a change to net income for the year ended December 31, 2016 of approximately $4,093,425.

- **Interest rate risk:** Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in interest rates. Due to the short-term nature of the Company's financial instruments held during the year, the Company's exposure to interest rate risk was nominal.

- **Currency risk:** Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates relative to the Company's functional currency, the Canadian dollar. As the Company currently does not transact significantly in any currency other than the Canadian dollar, this risk is minimal.

- **Liquidity risk:** Liquidity risk is the risk that the Company lacks the immediately available funds to meet its obligations when due. The Company has arranged a Credit Facility (note 1) that enables the Company to borrow funds, subject to meeting certain conditions. The Company also maintains cash in its accounts, generated by cash flows from operations, which provide it with the flexibility to meet its obligations when due.

- **Credit risk:** Credit risk is the risk that the counterparty defaults on an obligation owed to the Company. At December 31, 2016, the Company held its Restricted Cash and Cash Equivalents at a Canadian chartered bank, which if it had defaulted in repaying such amounts to the Company, would have had a material adverse effect on the Company and impaired its ability to complete the Transaction. The Canadian chartered bank holding such amounts on the Company's behalf at December 31, 2016, has a AA(low) credit rating from DBRS and a Aa1 credit rating from Moody's.

(Expressed in Canadian Dollars)

15. Capital Management

The Company defines the capital that it manages as its shareholders' equity and its Class A Restricted Voting Shares subject to redemption, which is classified as a financial liability. The Company's primary objective in managing capital is to ensure capital preservation in order to benefit from acquisition opportunities as they arise.

		As at December 31, 2016
Shareholders' deficiency	$	(25,104,198)
Class A Restricted Voting Shares subject to redemption		409,342,500
Total	**$**	**384,238,302**

As at December 31, 2016, the Company had $187,259 in cash. As detailed further in Note 16, the Company acquired three businesses in January 2017, the completion of which constituted the Company's Qualifying Acquisition and provided for the release of the Restricted cash and cash equivalents held in escrow (note 4).

16. Subsequent Events

On January 3, 2017, the Company completed the closing of the Transaction consisting of the 100% acquisition of three privately-held businesses, namely Apollo, JemPak and Stellwagen.

The Company acquired substantially all of the assets of Apollo pursuant to an asset purchase agreement. Apollo develops and manufactures private label health and beauty care products for major retailers. The purchase price for Apollo was $393,221,710.

The Company acquired all of the issued and outstanding shares of JemPak pursuant to a share purchase agreement. JemPak develops and manufactures private label dish and laundry detergent products for major retailers. The purchase price for JemPak was $134,589,500.

The Company acquired a 100% interest in the operating entities of Stellwagen pursuant to an equity interests purchase agreement. Stellwagen is a commercial aviation finance advisory and asset management business. The initial purchase price for Stellwagen was $324,829,923. In addition, Stellwagen's vendor is entitled to contingent consideration payable either in 2020, 2021 or 2022, at the election of the vendor, based on the adjusted net income of Stellwagen over a specified threshold during a period of three years ending in 2019, 2020 or 2021, respectively.

(Expressed in Canadian Dollars)

16. Subsequent Events (continued)

The table below summarizes the different components of the consideration paid to the vendors of each of Apollo, JemPak and Stellwagen in connection with the Transaction:

		Apollo		JemPak		Stellwagen		Total
Cash at closing	$	133,750,000	$	67,500,000	$	90,036,592	$	291,286,592
Other cash adjustments at closing		427,354		(410,500)		6,509,151		6,526,005
Subtotal – Cash paid at closing	$	134,177,354	$	67,089,500	$	96,545,743	$	297,812,597
Tax adjustment paid after closing		2,660,396		-		-		2,660,396
Subtotal – Cash consideration	$	136,837,750	$	67,089,500	$	96,545,743	$	300,472,993
Assumed indebtedness		22,500,000		-		-		22,500,000
Class B Shares (at $10 per share)		233,883,960		67,500,000		228,284,180		529,668,140
Total consideration	**$**	**393,221,710**	**$**	**134,589,500**	**$**	**324,829,923**	**$**	**852,641,133**
Number of Class B Shares issued		23,388,396		6,750,000		22,828,418		52,966,814

Concurrent with closing of the Transaction, the Company borrowed $65,000,000 under the Credit Facility (note 1), with $15,000,000 borrowed under the revolver and $50,000,000 under the term loan.

Concurrent with closing of the Transaction, the Company completed the Private Placement of 15,955,050 Class B Shares for aggregate gross proceeds of $159,550,500 from certain of the Company's largest institutional shareholders, new investors, and the Founders. In addition, concurrent with the closing, 11,795,778 Class A Restricted Voting Shares were not submitted for redemption and were automatically converted into Class B Shares on a one-for-one basis. The Class B Shares commenced trading on the TSX on January 6, 2017, concurrent with the delisting of the Class A Restricted Voting Shares.

As of the date of these Consolidated Financial Statements, the initial accounting for the business combinations is incomplete including a fair value estimate of the contingent consideration payable to the Stellwagen vendor and the assets and liabilities acquired, which includes intangible assets. Acquisition costs, including professional fees and advisory costs but excluding costs associated with the Private Placement and Credit Facility and insurance, are expected to be approximately $9,200,000.

The table below summarizes the changes in the number of Class B Shares outstanding between December 31, 2016 and March 2, 2016:

	Class B Shares
Balance, December 31, 2016	**11,960,156**
Conversion of Class A Restricted Voting Shares following Qualifying Acquisition	11,795,778
Issued as consideration under Qualifying Acquisition	52,966,814
Issued under Private Placement	15,955,050
Balance, March 2, 2016	**92,677,798**