
NEOTECK SOLUTIONS INC.

CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED AUGUST 31, 2015 AND 2014
(Unaudited – Expressed in Canadian Dollars)

Independent Auditors' Interim Review Report

To the Shareholders of Neoteck Solutions Inc.:

In accordance with our engagement letter dated September 17, 2015 we have performed an interim review of the statement of financial position of Neoteck Solutions Inc. as at August 31, 2015, the statements of comprehensive loss for the three and six-month periods ended August 31, 2015, and the statements of changes in equity and cash flows for the six-month period then ended. These financial statements are the responsibility of Neoteck Solutions Inc.'s management.

We performed our interim reviews in accordance with Canadian generally accepted standards for a review of interim financial statements by an entity's auditor.

An interim review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements. Accordingly, we do not express such an opinion. An interim review does not provide assurance that we would become aware of any or all significant matters that might be identified in an audit.

Based on our interim reviews, we are not aware of any material modification that needs to be made for these interim financial statements to be in accordance with International Financial Reporting Standards.

This report is solely for the use of the Shareholders of Neoteck Solutions Inc. to assist it in discharging its regulatory obligation to review these financial statements, and should not be used for any other purpose.

Vancouver, BC
October 14, 2015

MNP LLP
Chartered Accountants

NEOTECK SOLUTIONS INC.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited – Expressed in Canadian Dollars)

	Note	August 31, 2015 \$	February 28, 2015 \$
ASSETS			
Current assets			
Cash		161	479
Prepaid expenses		438	438
Total assets		599	917
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	5	94,556	52,867
Due to related parties	3	34,100	21,000
		128,656	73,867
SHAREHOLDERS' DEFICIENCY			
Share capital	4	2,403,006	2,403,006
Contributed surplus		189,514	189,514
Deficit		(2,720,577)	(2,665,470)
		(128,057)	(72,950)
Total liabilities and equity		599	917

Nature of operations and going concern (Note 1)
Subsequent events (Note 6)

Approved and authorized on behalf of the Board of Directors on October 14, 2015

"Gunther Roehlig" Director

"Stephen Pearce" Director

NEOTECK SOLUTIONS INC.
CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the three and six months ended August 31,
(Unaudited – Expressed in Canadian Dollars)

	Note	Three months ended August 31		Six months ended August 31	
		2015 \$	2014 \$	2015 \$	2014 \$
ADMINISTRATIVE EXPENSES					
Accounting and audit	5	5,496	3,033	10,113	9,260
Management and consulting fees	5	15,750	15,750	31,500	31,500
Legal	5	750	-	1,125	-
Office and miscellaneous		106	67	168	149
Regulatory and stock transfer		4,205	3,954	6,201	5,887
Rent		-	9,000	6,000	18,000
		(26,307)	(31,804)	(55,107)	(64,796)
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD					
		(26,307)	(31,804)	(55,107)	(64,796)
NET LOSS PER SHARE – BASIC AND DILUTED					
		(0.00)	(0.00)	(0.00)	(0.00)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING					
		38,060,966	38,060,966	38,060,966	38,060,966

NEOTECK SOLUTIONS INC.
CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)
(Unaudited – Expressed in Canadian dollars, except for share figures)

	Number of Shares	Share Capital \$	Contributed Surplus \$	Deficit \$	Total \$
Balance, February 28, 2014	38,060,966	2,403,006	189,514	(2,523,031)	69,489
Net and comprehensive loss for the period	-	-	-	(64,796)	(64,796)
Balance, August 31, 2014	38,060,966	2,403,006	189,514	(2,587,827)	4,693
Net and comprehensive loss for the period	-	-	-	(77,643)	(77,643)
Balance, February 28, 2015	38,060,966	2,403,006	189,514	(2,665,470)	(72,950)
Net and comprehensive loss for the period	-	-	-	(55,107)	(55,107)
Balance, August 31, 2015	38,060,966	2,403,006	189,514	(2,720,577)	(128,057)

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

NEOTECK SOLUTIONS INC.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS

For the six months ended August 31,
(Unaudited – Expressed in Canadian Dollars)

	2015	2014
	\$	\$
Operating activities:		
Net loss for the period	(55,107)	(64,796)
Changes in non-cash working capital related to operations:		
GST recoverable and other receivables	-	(25)
Accounts payable and accrued liabilities	41,689	(7,970)
Net cash used in operating activities	(13,418)	(72,791)
Financing activity:		
Due to related parties	13,100	-
Net cash provided by financing activity	13,100	-
Decrease in cash during the period	(318)	(72,791)
Cash – beginning of the period	479	85,137
Cash – end of the period	161	12,346

NEOTECK SOLUTIONS INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the three and six months ended August 31, 2015 and 2014
(Unaudited – Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Neoteck Solutions Inc. ("the Company") is incorporated under the Company Act of British Columbia. The Company is currently determining the direction of its future operations. The Company is listed for trading on the TSX Venture Exchange ("TSX-V") under the symbol "NEO.H". The Company's registered and records office is located at 2600 - 1066 West Hastings Street, Vancouver Canada V6B 1N2.

These condensed interim financial statements have been prepared on the going concern basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. If the going concern assumption were not appropriate for these financial statements, then adjustments may be necessary in the carrying value of assets and liabilities, the reported expenses and the statement of financial position classifications used. Such adjustments could be material. As at August 31, 2015, the Company had a working capital deficiency of \$128,057, had not yet achieved profitable operations, had an accumulated deficit of \$2,720,577 since inception and expects to incur further losses in the future. These factors may cast substantial doubt on the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent upon its ability to obtain the necessary financing to meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. Although the Company has been successful in the past in obtaining financing, there is no guarantee that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

2. BASIS OF PRESENTATION

These condensed interim financial statements have been prepared in conformity with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*, using the same accounting policies as detailed in the Company's audited annual financial statements for the year ended February 28, 2015. They do not include all the information required for complete annual financial statements in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") and therefore should be read together with the audited annual financial statements for the year ended February 28, 2015.

These financial statements were approved by the board of directors for issue on October 14, 2015.

The preparation of these condensed interim financial statements in accordance with IAS 1, *Presentation of Financial Statements*, requires management to make certain critical accounting estimates and to exercise judgment in applying the Company's accounting policies. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. Critical judgments in applying accounting policies that have the most significant risk of causing material adjustments to the carrying amounts of assets and liabilities include the going concern assumption.

NEOTECK SOLUTIONS INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the three and six months ended August 31, 2015 and 2014
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3. DUE TO RELATED PARTIES

During the six months ended August 31, 2015, the Company received a total of \$13,100 from the President of the Company and a shareholder, which were non-interest bearing loans made to the Company to finance its activities in order to continue its operations. The loans are due on demand, unsecured and have no maturity date. The amount of loans outstanding as at August 31, 2015 was \$34,100 (February 28, 2015 – \$21,000).

4. SHARE CAPITAL

- a) Authorized – Unlimited common shares without par value.
- b) Issued – 38,060,966 common shares

5. RELATED PARTY TRANSACTIONS

The Company incurred charges to directors and officers, or to companies associated with these individuals during the three and six months ended August 31, 2015 and 2014 as follows:

	Three months ended		Six months ended	
	August 31		August 31	
	2015	2014	2015	2014
	\$	\$	\$	\$
Accounting and corporate secretarial fees	3,070	2,717	5,262	5,879
Management fees	7,875	7,875	15,750	15,750
	10,945	10,592	21,012	21,629

Accounts payable and accrued liabilities at August 31, 2015 includes \$40,129 (February 28, 2015 – \$17,628) due to the President of the Company and a company controlled by a director and in which the CFO is an associate. Related party transactions are conducted in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the parties.

Key management of the Company includes the President, CFO and the Directors. During the three and six months ended August 31, 2015, compensation paid to key management consisted of management fees of \$7,875 and \$15,750 (2014 – \$7,875 and \$15,750) paid to the President and accounting and corporate secretarial fees of \$3,070 and \$5,262 (2014 – \$2,717 and \$5,879) paid to a company controlled by a director and in which the CFO is an associate.

During the six months ended August 31, 2015, the Company received a total of \$13,100 from the President of the Company and a shareholder, which were non-interest bearing loans made to the Company to finance

NEOTECK SOLUTIONS INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
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its activities in order to continue its operations. The loans are due on demand, unsecured and have no maturity date.

6. SUBSEQUENT EVENTS

On October 1, 2015, the Company entered into a non-binding letter of intent (“LOI”) with Segra Biogenesis Corp. (“Segra”) to negotiate and settle a definitive agreement between the Company and Segra, whereby the Company will acquire all of the issued and outstanding shares of Segra (“the Segra Shares”) in exchange for common shares of the Company (“the Neoteck Shares”) on the proposed terms and conditions of the LOI (the “Transaction”).

Segra, a company incorporated under the laws of British Columbia, is in the business of researching and developing medicinal botanical products and has applied to become a Licensed Producer of medicinal cannabis under the Marihuana for Medical Purposes Regulations in Canada. Segra has entered into an option to lease land with Agricultural Land Reserve status on Vancouver Island on which it plans to construct a 36,000 square foot indoor cultivation and processing facility. Further, Segra is developing a line of natural health products.

Prior to closing the Transaction, Neoteck will consolidate its common shares on the basis of one post-consolidation Neoteck Share for every 2.8 pre-consolidation Neoteck Shares (the “Consolidation”), resulting in approximately 13,593,202 issued and outstanding post-Consolidation Neoteck Shares. Under the proposed definitive agreement, each shareholder of Segra will receive one post-Consolidation Neoteck Share in exchange for each Segra Share. As of the LOI date, the Segra shareholders held 10,998,402 common shares in Segra. As a result, a total of 10,998,402 Neoteck Shares will be issued to Segra shareholders on closing of the Transaction.

The Company plans to complete a non-brokered private placement of 10,000,000 post-Consolidation Neoteck Shares at a price of \$0.10 per post-Consolidation Neoteck Share for gross proceeds of \$1,000,000. The LOI also allows Segra to obtain bridge loans for up to \$200,000. The loans will bear interest at 15% per annum and are payable in one year. The principal and interest may be converted by the lender into Segra Shares at a price of \$0.10 per Segra Share.

Upon entering into the definitive agreement, the Company will apply to list its common shares on the Canadian Securities Exchange (“CSE”) and will apply to delist its common shares from the TSX-V subject to approval by the TSX-V.