FRANCHISE DISCLOSURE DOCUMENT

GOLIATHTECH INC.

A CANADIAN CORPORATION

GoliathTech®

477 boulevard Poirier

Magog, Quebec J1X7L1

Canada

819-843-4777

Toll Free: 855-743-4777

www.goliathtechpiles.com

You will operate a business selling and installing helical piles (screw piles). You will offer, sell and install foundation stabilization products for residential and commercial construction and provide the services and products operating under the Marks and using the System.

The total investment necessary to begin operation of a GoliathTech franchised business is from $100,000 USD to $241,000 USD. This includes $62,500 USD that must be paid to the franchisor or its affiliates.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for You. To discuss the availability of disclosures in different formats, contact the Franchise Administration Department at 477 boulevard Poirier, Magog, Quebec, J1X7L1, Canada, or info@goliathtechpiles.com.

The terms of your contract govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read Your entire contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on -franchising, such as *"A Consumer's Guide to Buying a Franchise"*, which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at: 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

ISSUANCE DATE: April 29, 2022

How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in item 20 or Exhibit [C].
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit [A] includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only GOLIATHTECH business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a GOLIATHTECH franchisee?	Item 20 or Exhibit [C] lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit [E].

Your state may also have laws that require special disclosure or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of contents for the location of the State Specific Addenda.

Special Risks to Consider About *This* Franchise

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution**. The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Quebec, Canada. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Quebec, Canada than in your own state.

2. **Supplier Control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor its affiliates**,** or suppliers that the Franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

3. **Financial Condition.** The franchisors financial condition, as reflected in financial statements (see Item 21), calls into question the franchisor's ability to remain in business. This means that the franchisor may not have the financial ability to provide services to support you.

4. **Going Concern.** The auditor's report on the Franchisor's financial statements expresses substantial doubt about the Franchisor's ability to remain in business. This means that the Franchisor may not have the financial resources to provide services or support to you.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

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EXHIBITS:

A - Financial Statements
B - Franchise Agreement
C - List of Current and Former Licensees
D - Operations Manuals - Table of Contents
E - List of State Administrators and Agents for Service of Process
F - State Law Addendum
G - Application for Franchise
H - Statement of Prospective Franchisee
I - Receipts for Franchise Disclosure Document

Item 1. The Franchisor, and Any Parents, Predecessors and Affiliates

Definitions.

To simplify this Franchise Disclosure Document, "We" means **GoliathTech Inc.**, d.b.a. **GoliathTech™**, the franchisor. Sometimes "Our" or "Us" refers to **GoliathTech**, when appropriate. "You" means the person who buys the franchise. If You are a legal entity, "You" includes all owners of any equity interest in the entity. "Licensed Business," means the business You will operate under the Franchise Agreement, selling and installing helical piles (screw piles), operating under Our Marks and following Our System. All referenced to "Dollars" in this disclosure document refer to United States Dollars.

Our Parents, Predecessors and Affiliates.

Our predecessor is Les pieux Goliath, a Quebec, Canada corporation, formed on June 15, 2004. Les pieux Goliath was a manufacturer of helical piles. Our predecessor has not offered franchises in this or in any other line of business. The principal address of Our predecessor is 54 Rue Johnson, Sherbrooke, QC, J1J 1T6. We have no affiliates that offer franchises in this or in any other business or provide products or services to Our franchisees. We have no parent.

Our Names.

We do business under our corporate name, GoliathTech Inc. dba GoliathTech. We do not do business under any other name.

Our Address and Agent for Service.

Our principal business address is 477 boulevard Poirier, Magog, Quebec, J1X 7L1, Canada, and Toll Free 855-743-4777.

Our Agent for Service of Process in Magog, Quebec is Julian Reusing. Refer to Exhibit E, List of State Administrators and Agents for Service of Process, for information on the Agent for Service of Process in states where we may be registered.

Our Business Form.

GoliathTech Inc. was incorporated on March 22, 2013 as a Quebec, Canada corporation. GoliathTech Inc. acquired all of the assets of Les pieux Goliath, a Canadian corporation in March 2013.

Our Business and Franchises Offered.

Under the franchise We offer, You will operate a business selling and installing helical piles, manufactured by Us. You will provide these services and products operating under the Marks and using the System. You may operate the franchised business as an add-on to Your current business, or You may operate the franchised business as a stand-alone. You may only offer Our helical piles and support system and no other competing products or support systems in your franchised business.

The market for your products and services is the commercial and residential construction industry and is well established and very competitive. Your Licensed Business may operate in close proximity to major competitors, which include franchised and non-franchised businesses. Some competitors will offer many goods and services that are the same as or similar to those You offer. The business is generally not seasonal, however in certain colder geographic areas, sales may be negatively impacted during cold weather conditions.

Franchisees will market and operate their businesses under our name, “GoliathTech”. Franchisees will utilize our approved methods of operation, which are spelled out in our Operations Manual.

You, the prospective purchaser, must complete an application, a written personality profile assessment and receive our Franchise Disclosure Document (“FDD”). The application and the receipt for the FDD must be signed by You and, if applicable, Your spouse or business partner.

Prior Business Experience.

GoliathTech, Inc. is the sole manufacturer of the helical piles which Our franchisees will sell and install to its customers. We have no business activities other than the offering of and support of GoliathTech franchised businesses, manufacturing helical piles and providing foundation and stabilization products and operational support to GoliathTech franchisees. We have not conducted any other business activities or offered franchises other than those offered in this disclosure document. We have never conducted a business of the type to be operated by the franchisee, however we have manufactured helical support piles since our inception in 2013. We have offered franchises substantially similar to the type offered in this disclosure document since 2013.

Laws Affecting Your Licensed Business.

You must comply with all laws and regulations that apply to business in general. You will need to obtain, as required by local or state law and regulations, the necessary licenses from the proper licensing agencies. We are not aware of any other laws or regulations that specifically apply to the Franchised Business. You should investigate these laws and regulations before you purchase a franchise. You are solely responsible for complying with all laws and regulations that my impact the operation of the Licensed Business.

Item 2. Business Experience

CEO - Julian Reusing
GoliathTech Inc. April 2013 to present (Magog, Quebec, Canada)

President & Chief Operating Officer – Mayco Quiroz
Goliathtech, Inc. – President and Chief Operating Officer (Magog, Quebec) March 2022 to present; Chief Financial Officer and Chief Operating Officer August 2019 – March 2022; Cubeler, Inc. (Montreal, Quebec, Canada) – Chief Financial Officer and Executive Vice President of Operations, May 2018 – November 2019; MontBridge Capital (Brossard, Quebec, Canada) President and Co-Founder – October 2016 – December 2018.

Item 3. Litigation

No litigation is required to be disclosed in this Item.

Item 4. Bankruptcy

No bankruptcy information is required to be disclosed in this Item.

Item 5. Initial Fees

Initial Fee.

The Initial Fee for the GoliathTech franchise is $49,500 USD. The Initial Fee for the second and subsequent territories purchased is $37,125 USD. You must also purchase the starter equipment package from the Franchisor for approximately $13,000 USD (based on Franchisee's possession of certain tools, etc.) prior to the opening of the franchised business.

The Initial Franchise Fee is uniform. If you wish to send more than 5 people to Our Initial Training Program, You must pay a training fee of $500 USD per person per day for each additional attendee.

You must also purchase the equipment starter kit which costs approximately $13,000 USD. The cost of the equipment starter kit is not refundable.

Payment of Initial Fee.

The initial franchise fee is payable in full, in cash, upon signing the Agreement which will be no sooner than seven days after We approve Your application.

Refund of Initial Fee.

The initial franchise fee is non-refundable under any circumstances.

Item 6. Other Fees

Type of fee	Amount	Due Date	Remarks
Royalty Fee[1]	$0.00	n/a	There is no Royalty Fee.
Marketing Fee[1] See Note A	6% of the price of Products You purchase from Us.	Per product purchase invoice	Product purchases include the full price of all goods and services You sell, whether or not You have received cash or other consideration. Products ordered by manufactured home installers and by Franchisees as part of the MHI Program are not included in Product purchases for purposes of the Marketing Fee. Also excluded from Gross Revenues is taxes or fees You are required to collect on behalf of the government. Gross Revenues are calculated at the time You sell the goods or services, without regard to when You receive or expect to receive payment.
Local Marketing	3% of Gross Revenues	Monthly	You must spend 3% of Gross Revenues on local marketing, in addition to the Marketing Fee.

Type of fee	Amount	Due Date	Remarks
Transfer Fee[1]	20% of the then-current Initial Fee	Before completing transfer	Payable only if You sell Your franchise or any part of Your business. Fee is $500 if You transfer to a corporation or other entity with the identical ownership and control.
Expansion Fee[1]	75% of the then-current Initial Fee	Upon signing of an addendum granting this expansion Territory to Franchisee	Expansion Fee includes Initial Training of up to 5 people.
Audit (3% or more under reporting) [1]	1.5% per month interest on amount of underpayment plus the cost of the audit plus the amount of the underpayment	Immediately upon billing	Payable only if an audit reveals that You have under reported Gross Revenues by 3 percent or more.
Renewal [1]	25% of the then- current Initial Fee	Before consummating Renewal	
Order Cancellation Fee	3% of the total order plus a $150 administrative fee	Payable at the time of cancellation by credit card	As a general rule, orders in process may not be cancelled. At Franchisor's sole discretion an order in process may be cancelled upon payment of the required fee.
Change Order Fee	Greater of 3% of the value of the items removed or added, or $150.	This Fee is added to the amount of the invoiced order.	This Fee applies to any addition or subtraction from an order in process or that has been completed.
Storage/ Handling Fee	Greater of 3% of the value of the order being stored, or $150	This fee will be added to the amount of the invoiced order	This Fee applies to orders that are ready for shipment, but which are held back at Franchisee's request for more than 3 days from the date of packing.

Type of fee	Amount	Due Date	Remarks
Additional Training [1] See Note B	$500 per group per day; if we travel to your location, you must also pay the expenses of our trainers. You are solely responsible for all compensation, benefits, and travel-related expenses for You or any employees.	In advance of the training program(s)	Your Manager and up to four (4) employees must complete the initial training (cost included in the Initial Fee for first three persons trained) and certain additional training at Your cost. If You obtain a new or replacement Manager, You will be responsible for the cost of initial training for that person after We have trained three people for You.

1. These fees are uniformly imposed by and are payable to Us. All fees are non-refundable and are uniformly imposed.

2. All references to "Dollars" in this Disclosure Document means U.S. Dollars.

Notes Regarding Other Fees:

Note A. Marketing Fee.

You will pay a Marketing Fee per invoice of products purchased. We may require You to pay Marketing Fees by check, pre-authorized check, electronic funds transfer or similar mechanism. Marketing Fees are in addition to Your local marketing obligation. We may, upon notice, require You to pay Your Marketing Fees on a different periodic basis.

Note B. Additional Training Expense.

Your Manager and up to four employees must complete the initial training (cost included in the Initial Fee for the first five persons trained). In all cases, You are solely responsible for all salaries, benefits, and travel-related expenses for trainees.

We may require You and/or Your Manager(s) to attend additional free training at a location We determine. You are solely responsible for all salaries, benefits and travel-related expenses of trainees.

Upon your request and subject to the availability of our personnel we may send trainers to Your site for additional training. You will be responsible for all travel-related expenses of the trainer. The fee shall be $500 per day per group trained.

We may provide or make available training materials and equipment for You or Your employees and may charge a fee which will not exceed Our costs of production. All training materials are proprietary to us and may contain our Trade Secrets. You must require any of Your employees to successfully complete any training program(s) if We designate them as mandatory.

Item 7. Estimated Initial Investment
YOUR ESTIMATED INITIAL INVESTMENT

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial Fee (Note A)	$49,500 - $49,500	Lump Sum	No sooner than 7 days after We approve application.	GoliathTech Inc.
Travel & Living Expenses While Attending Initial Training	$3,000 - $5,000	As Incurred	Before, During & After Training	Vendors, Airlines, Hotels, Car Rental Companies, etc.
Real Estate Rental & Deposits (3 months)	$1,000 - $5,000	As Incurred	As Arranged	Vendors, Utility Companies
Equipment & Product Inventory (includes the starter equipment package) (Note B)	$30,000- $76,500	As Incurred	As Arranged	Vendors, Leasing Companies or Lender, GoliathTech, Inc.
Vehicle (Note C)	$0 - $65,000	As Arranged	As Arranged	Vendor, Leasing Company or Lender
Computer & Software	$2,500 - $5,000	As Arranged	As Arranged	GoliathTech Inc., Vendors, Leasing Companies or Lender
Advertising (3 months) (Note D)	$500 - $1,000	As Arranged; See Item 6.	As Arranged; See Item 6.	GoliathTech Inc., Advertising Media Vendors
Professional Fees (Note E)	$1,500 - $5,000	As Incurred	As Incurred	Attorney & Accountant
Miscellaneous Opening Costs (Note F)	$5,000 - $10,000	As Incurred	As Incurred	Vendors, Suppliers, Utilities, Tradesmen, Deposits etc.
Additional Funds (3 months) (Note G)	$10,000 - $20,000	As Incurred	As Incurred	Employees, Vendors, Utilities, Taxing Agencies, etc.
Total	**$100,000 - $241,000**			

Notes Regarding Initial Investment:

Note A: Initial Fee.

Payment of the franchise fee is payable in full, in cash, upon signing the Agreement which will be no sooner than seven days after We approve Your application.

Note B: Equipment.

We are the sole source of supply for the piles, the drills to install the piles and all other products on Our product list. The cost of equipment could vary widely depending primarily upon Your circumstances. Some new franchisees will have existing businesses and will already have some of the equipment they will need. This may or may not be Your situation. However, even if You have an existing GoliathTech business that is fully equipped, You may need additional or different equipment if You are expanding Your operations or to comply with Our standards. There are factors beyond Our control that could cause You to invest more in equipment. The equipment required to begin Your GoliathTech franchised business will include a trailer, excavator, ladders, and telescoping ceiling supports.

Starter Kit Equipment (required with the initial purchase of a franchise):
1x Hydraulic drill
1x Hydraulic Drill Mounting Fixture (special unique adaptor designed specifically to fit the model of mini excavator the franchisee is using)
4 locking pins
8x Drill pins (2 of each size)
1x Hydraulic Pressure Gauge
1x Hydraulic Hoses for Pressure Gauge
1x Pile Top Cutter (to cut pile top off when necessary)
1x Drill with Alignment Jig for pile pin and bold hole drilling (if you have to cut off the top of a pile)
1x Wrench kit (to turn pile leveling nut)
2x Lasers
2x Laser Stands
1x Electric Band Saw

You must also maintain sufficient levels of inventory to meet the needs of current customers, which may vary based on Your circumstances. We estimate that the cost of your initial inventory will range from $7,500 to $40,000. The cost of the Starter Kit of Equipment is included in the amount listed in the Item 7 chart.

If You lease the equipment, that may increase Your monthly fixed expenses. If You borrow money to purchase the equipment, that may increase Your monthly fixed expenses.

Note C: Vehicle.

You are required to use a Pick-up truck or a cube van in good condition, no older than 5 years, which must be black or white in color and which must display Our approved signage. You may already own a

vehicle that meets our requirements. The high estimate is for the purchase of a new vehicle. If you lease or finance the vehicle, your expenses will be less.

Note D: Advertising.

This includes any initial advertising expenses for obtaining employees and informing the community of Your business opening.

Note E: Professional Fees.

Because of the variability of attorney's and accountant's fees, this is, at best, an estimate. You should check with Your attorney, accountant, and other professional advisors to determine the actual range of fees before signing the Franchise Agreement. You may need an attorney to assist and advise You in setting up Your business organization and reviewing contract documents, and an accountant to provide tax and other business advice. This estimate does not include any ongoing needs for legal services in connection with relationships with customers or vendors.

Note F: Miscellaneous Opening Costs.

You will incur costs for Our required vehicle signage, office supplies, bank fees and other incidental start-up expenses that are included within the range of $5,000 - $10,000 set out in the Item 7 chart above.

Note G: Additional Funds.

We have relied on the over 20 years industry experience of our CEO in determining the amount of additional funds You may require.

Going Concern Value Not Included.

If You purchase an existing operating GoliathTech business from Us or from another franchisee, You should expect to pay, in addition to the estimated initial investment, an amount representing the fair market going concern value of the business. That value might exceed the estimated initial investment. Any purchase of existing business assets and goodwill would be under a separate agreement negotiated between You and the seller.

Financing.

We do not offer financing for any items. Should We establish relationships with sources of possible financing, We would make the information available to You. Financing availability and qualification requirements would probably change and vary widely. If We make financing available to You, We or Our affiliate(s) would expect to make a profit from it. We do not require You to obtain financing from Us.

No Refunds.

We will not refund any of the payments You make to Us. Payments You make to other persons or entities may be refundable depending on Your agreement with those parties.

Item 8. Restrictions on Sources of Products and Services

You must purchase from Us or a supplier We approve, certain equipment, supplies and inventory necessary to start or operate the Licensed Business. We are the sole approved supplier of the screw piles, drills to install the piles, apparel displaying Our logo and Mark, and other products used in the installation of the piles that You must sell and install in your franchised business. Our product list is lengthy and will be disclosed to You upon request, prior to the signing of the Franchise Agreement. You are restricted from purchasing any of the products We manufacture from any other supplier. As to other equipment, supplies and inventory, You may purchase them from the vendor(s) of Your choice, but the item(s) must meet Our specifications. We issue specifications in writing and incorporate them in the Manual. These specifications include quality, accuracy, preparation, installation, application, delivery, performance, design, brands, model, part numbers and appearance. In some instances, You

must purchase items that comply with Our reasonable subjective determination of whether they meet the standards and comport with the GoliathTech image. If We have not provided specifications, You may purchase any items that reasonably meet the requirements of the Licensed Business.

In some locations, We will offer franchised GoliathTech businesses on a fully equipped basis only. In that case, You must purchase the equipment and the initial inventory from Us or an approved vendor. As of the date of this disclosure document we have not offered units on a fully equipped basis, and We have no plan to do so in the immediate future.

You must purchase from Us or a vendor We approve all items used to start or operate Your business that contain or bear the Marks. We or our designated vendor(s) will make a wholesale profit consistent with industry standards. All items that You purchase from approved suppliers must meet Our specifications. This includes advertising and marketing materials, forms, and promotional items. In addition, You must purchase the signs used to identify the Licensed Business(s) and Premises from a vendor We approve. We require You to purchase or lease certain computer equipment and software that meets Our specifications.

We publish a list of approved vendors and order procedures in the Manual. We will approve other vendors (for products other than those products for which we are the sole approved supplier) if You request it in writing or if a vendor requests it and if the vendor demonstrates to Our satisfaction that it is financially stable and can provide product(s) or service(s) that meet Our specifications and that are consistent with Our image. We will not charge a fee to evaluate a proposed vendor. We will give You a good faith estimate of our cost of evaluating a proposed vendor within a reasonable time after You make the request, but before We begin the evaluation process. We will make Our decision within sixty days. If no decision is made within sixty days, We reserve the right to disapprove any previously approved vendor whose performance falls below Our standards. We will make any approvals of new vendors or revoke approval of vendors in writing and will incorporate Our decision in the Manual.

During the fiscal year covered by Our last fiscal year that ended on January 31, 2022, neither We nor our affiliate derived any revenue or other material consideration from vendors based on required purchases or leases by franchisees made in accordance with Our specifications. We will derive revenue from the sale of the screw piles and drills to Our franchisees. We may negotiate and receive rebates, discounts, allowances, or other material consideration from certain designated suppliers with whom You do business. We anticipate that such rebates, discounts and allowances may range from zero percent to as high as fifteen percent of the amount of Your purchase of certain items. We expect the amount and availability to vary from time to time based upon factors outside our control. We will retain all such rebates, discounts, and material consideration. We may but are not required to negotiate purchase arrangements with suppliers, including price terms, for the benefit of franchisees. Any rebates obtained by or negotiated by the franchisee may be retained by the franchisee.

Your purchases of goods and services in accordance with specifications will represent approximately 90 to 100% of Your total purchases in connection with establishing Your Licensed Business and approximately 90 to 100% of Your total purchases in connection with operating Your Licensed Business. Since we have not offered franchises prior to the issuance date of this disclosure document, we have not received any revenue or other material consideration from required purchases or leases by franchisees. We are the sole source of supply for the screw piles and drills, however, none of Our officers own an interest in any other approved supplier. We offer no material benefits to franchisees such as renewal or the granting of additional franchises based on a franchisee's purchase of particular products or services or use of particular suppliers. You will purchase helical piles from Us on a regular basis in order to maintain inventory levels.

The Franchisor's revenues from all required purchases and leases for the year ended January 31, 2022, were $9,998,659, representing 89% of Franchisor's total revenues of $11,244,739. No revenues were derived by Franchisor's Affiliates based on Franchisees' required purchases or leases.

You must maintain the following insurance with an insurance carrier that we approve: on an occurrence basis combined single limit coverage of at least $2,000,000 per occurrence/$2,000,000 annual aggregate including employer's liability insurance; worker's compensation in such amounts as are required by law. Franchisee shall provide Franchisor with one or more certificates of insurance on an annual basis.

We have the right to make a profit on items You purchase from Us. Any profits would be within the range of standards in the industry for the item(s) in question.

Item 9. Franchisee's Obligations

This table lists Your principal obligations under the franchise and other agreements. It will help You find more detailed information about Your obligations in these agreements and in other items of this disclosure document.

Obligation	Section in Agreement	Item in Franchise Disclosure Document
a. Site selection and acquisition/lease	Articles 1, 6	Item 11
b. Pre-opening purchases/leases	Articles 1, 6, 7 & 8	Items 7 & 8
c. Site development and other pre-opening requirements	Articles 6 & 7	Items 7 & 11
d. Initial and ongoing training	Articles 1, 4, 5, 7, 11 & 20	Item 11
e. Opening	Articles 2 & 6	Items 7, 8 & 11
f. Fees	Articles 2, 3, 4, 9, 12, 17 & 18	Items 5, 6, 7, 8, 9 & 10
g. Compliance with standards and policies/Operating Manual	Articles 1, 2, 6, 7,12, 13 & 15	Items 8 & 11
h. Trademarks and proprietary information	Articles 1, 5, 6 & 7	Items 13 & 14
i. Restrictions on products/services offered	Article 7	Items 8 & 16
j. Warranty and customer service requirements	Articles 4, 6 & 7	Item 11
k. Territorial development and sales quotas	Articles 1, 6 & 7	Item 12
l. Ongoing product/service purchases	Articles 4, 5, 7 & 15	Item 8

Obligation	Section in Agreement	Item in Franchise Disclosure Document
m. Maintenance, appearance and remodeling requirements	Articles 7 & 9	Items 7 & 11
n. Insurance	Articles 8 & 15	Item 7
o. Advertising	Articles 1, 2, 7, 8 & 15	Items 6, 7 & 11
p. Indemnification	Articles 7, 8, 12	Item 13
q. Owner's participation/management/staffing	Articles 4, 5, 7, 11, 13, 15 & 17	Item 15
r. Records and reports	Articles 3	Items 8 & 15
s. Inspections and audits	Articles 3	Item 6
t. Transfer	Articles 12	Item 6
u. Renewal	Articles 9, 10 & 15	Item 6
v. Post-termination obligations	Articles 5, 15, 16, and 17	Item 17
w. Non-competition covenants	Article 16	Item 17
x. Dispute resolution	Article 18	Items 9 & 17

Item 10. Financing

We do not offer direct or indirect financing. We do not guarantee Your note, lease or obligation.

Item 11.

Franchisor's Assistance, Advertising, Computer Systems & Training Pre-Opening Obligations.

Except as listed below, GoliathTech, Inc. is not required to provide You with any assistance. Before You open Your Licensed Business, We will:

1. License You to use our Marks and System in connection with Your Licensed Business (Franchise Agreement - Article 1);

2. Designate Your Territory (Franchise Agreement - Article 1);

3. Loan You one or more operations manuals ("the Manual") (Franchise Agreement - Article 1);

4. Provide initial training for You and up to 4 employees as follows:

TRAINING PROGRAM

Subject	Hours of Classroom Training*	Hours of On he Job Training*	Location
Sales Training	8	0	Magog, Quebec
Product & Installation Training	8	0	Magog, Quebec
Operations, Customer Service	12	0	Magog, Quebec
Hands-on product knowledge	12	0	Magog, Quebec
TOTAL	40	0	

*All times are approximate, and We may adjust them based upon Your experience and rate of learning. Initial training will be approximately 28 hours of classroom instruction and approximately 12 hours of hands-on instruction at Our Corporate Headquarters. We will hold training as often as necessary depending on the number of new franchisees. The Manual will be the primary instructional training material.

Initially, You may have just one person making the sales and installation. You or a designated Manager must be responsible for business operations and management. All trainees must successfully complete Our initial training program. We will decide whether You successfully complete the initial training program based upon knowledge test results and Our observations of Your ability to use the knowledge effectively. The initial training program must be completed within 90 days of the signing of the Franchise Agreement.

Before opening Your Licensed Business, We will provide initial training to You and up to four additional persons, dependent upon how many installers You have, as part of Your Initial Fee. We will decide whether You successfully complete the initial training program based upon knowledge test results and Our observations of Your ability to use the knowledge effectively. You are responsible for all salaries, compensation and travel related expenses of persons receiving training, both initial training and on- going training. For further information regarding expenses related to the initial training, please review again Franchise Agreement - Article 4.

After the first five persons trained We will charge an estimated $500 per person per day fee for the initial training program. There will be an estimated $500 per person per day fee for training of additional managers. In all cases, You are solely responsible for all salaries, compensation, benefits, travel and related expenses for trainees. The Sales Training and Product Training instructor will be James Buzzell will conduct the Installation Training. Please refer to Note below for information regarding training instructors' experience. The Manual will be the primary instructional material.

We will offer additional mandatory training on new products or services that we may develop as part of the franchise system. We do not anticipate charging a fee for those training sessions; however, You will be responsible for all expenses associated with travel, room and board and salaries of those who attend the training.

Note: Experience of training instructors.

Julian Reusing is a certified sales coach with 25 years sales training experience.

Obligations after opening, We will:

1. Take any actions We deem appropriate to protect or defend the Marks or System (Franchise Agreement - Article 1);

2. Loan You one or more operations manuals ("the Manual"), which contains specifications and mandatory and suggested standards and procedures. This manual is confidential and remains Our property. We will modify this manual, but the modifications will not materially alter Your status and rights under the Franchise Agreement. Exhibit D includes a copy of the Manual's Table of Contents. The Manual currently contains 91 pages.

3. Manage any Marketing Fees. We will prepare an annual, unaudited statement of Marketing Fund collections and expenses and give You the statement upon written request (Franchise Agreement – Article 2)

4. Manage all aspects of the marketing program using any Marketing Fees collected (Franchise Agreement - Article 2);

5. Provide a periodic training program. Please refer to Franchise Agreement - Article 4 for information regarding the frequency and number of training programs We may require You to participate in.

We provide inventory and certain installation tools and equipment to our franchisees. We do not provide assistance to our franchisees in acquiring nor do we supply fixtures, signs or supplies to our franchisees. We may provide a list of approved suppliers for those items, but we are not required to do so.

We also expect to be in regular contact with You to discuss Your operation of the Licensed Business and to generally be of assistance. We plan to provide additional on-going training for You and Your manager(s) and employees at no additional charge. The Agreement does not obligate Us to provide such services, however. We do not provide assistance with your acquisition of signage, fixtures or supplies. We are the sole approved supplier of the helical piles that you will sell.

Marketing Fund.

We plan to provide a marketing program using any Marketing Fees You pay, combined with those from other franchisees. All Franchisees will pay into the Marketing Fund an amount equal to 6% of the total price of Products purchased from Us, excluding product purchased by manufactured home installers directly from Us. Franchisor and affiliate-owned units will contribute to the marketing fund in the same manner as Franchisees. We expect to focus all marketing using Marketing Fees in areas where We have one or more franchisees, although the Agreement does not require Us to benefit You with every marketing program. We may charge Our marketing research, development, and production expenses against the marketing funds. You must conduct marketing through our approved marketing firm or through a Regional Marketing Cooperative and You may use Your own marketing materials, but You must obtain approval from Our approved marketing firm of any such materials in advance.

We will direct all programs that the Marketing Fund finances, with sole control over the creative concepts, materials and endorsements used and their geographic, market and media placement and allocation. The Marketing Fund may pay for preparing and producing local, regional or national advertisements, video, audio and written materials and electronic media; administering regional and multi-regional marketing and advertising programs, (including, without limitation, using in-house or outside advertising, promotion and marketing agencies and other advisors to provide assistance); and supporting public relations, market research and other advertising, promotion and marketing activities. The Marketing Fund periodically will give You samples of advertising, marketing and promotional formats and materials at no cost and will sell You multiple copies of these materials at its direct cost of producing them, plus any related shipping, handling, and storage charges.

We will not account for the Marketing Fund separately from our other funds and We will not maintain a separate account for the Fund and will not use the Marketing Fund for any of our general operating expenses, except to compensate the reasonable salaries, administrative costs, travel expenses and overhead We incur in administering the Marketing Fund and its programs, including, without limitation, conducting market research, preparing advertising, promotion and marketing materials, and collecting and accounting for Marketing Fund contributions. The Marketing Fund is not a trust, and We do not owe You fiduciary obligations because of our maintaining, directing, or administering the Marketing Fund or any other reason. We will not use Marketing Fund contributions for advertising that is principally a solicitation for the sale of franchises except that in certain ads with available space, we may insert certain language as to the availability of franchise opportunities. The Marketing Fund may spend in any fiscal year more or less than the total Marketing Fund contributions in that year; borrow from us or others to cover deficits or invest any surplus for future use. We will use all interest earned on Marketing Fund contributions to pay costs before using the Marketing Fund's other assets. We will not prepare an annual audited statement of Marketing Fund collections and expenses, but We will provide You a summary of collections and expenses upon Your written request. We may incorporate the Marketing Fund or operate it through a separate entity whenever We deem appropriate.

We intend the Marketing Fund to maximize recognition of Our Marks. Although We will try to use the Marketing Fund to develop advertising and marketing materials and programs, and to place advertising and marketing, that will benefit all Businesses in the System, We need not ensure that Marketing Fund expenditures in or affecting any geographic area are proportionate or equivalent to the Marketing Fund contributions by GoliathTech businesses operating in that geographic area or that any GoliathTech Business benefit directly or in proportion to its Marketing Fund contribution from the development or placement of advertising and marketing materials. We may forgive, waive, settle and compromise all claims by or against the Marketing Fund. We assume no direct or indirect liability or obligation to You for collecting amounts due to, maintaining, directing, or administering the Marketing Fund.

We may at any time defer or reduce the Marketing Fund contributions of a GoliathTech Business and, upon thirty (30) days' prior written notice, reduce or suspend Marketing Fund contributions and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Marketing Fund. If We terminate the Marketing Fund, We will distribute all unspent monies to all GoliathTech Businesses (whether franchised or operated by Us) in proportion to their respective Marketing Fund contributions during the preceding twelve (12) month period.

We are not obligated to expend the Marketing Fee or placement of advertising in Your territory, or to ensure that Your franchise business benefits directly or pro-rata from marketing fee expenditures. We will not use the Marketing Fee for creating or placing any advertisements that is principally a solicitation for new franchisees, but may include in our advertising prepared using marketing fee (including Internet advertising) information concerning franchise opportunities and a portion of the Marketing Fee may be used to create and maintain one or more pages on our website devoted to advertising franchise opportunities and identifying and screening inquiries submitted by franchise candidates.

During our most recently concluded fiscal year, January 31, 2022, We collected Marketing Fees of $505,685 from franchisees. We expended $689,223. The funds were spent as follows: 72% on digital marketing and video production; 21% on campaign management fees; and 7% on influencer marketing. You may not engage in sales through alternative distribution channels or the Internet without Our prior written approval. We are not required to give You such approval. (Franchise Agreement – Article 1)

We currently do not have an advisory council composed of franchisees that advises us on advertising policies. If We form or approve an advisory council, You must participate. Any advisory council would not have decision-making power. It would be advisory only. We have the right to form, change or dissolve any advisory council. The franchisor is not required to spend any amount on advertising in the franchisee's territory or marketing area.

Advertising Cooperative.

If at any time, there are two or more GoliathTech franchisees within a marketing area You may form a local marketing cooperative. We will decide and may modify the size and location of any marketing area. A local marketing cooperative, by a majority vote, may assess additional local and cooperative Marketing Fees and You must pay them. A local marketing cooperative may not assess additional Marketing Fees in an amount greater than one percent of Gross Revenues unless all members of the cooperative agree. Except for these guidelines, and subject to any rules or recommendations We may adopt, each local marketing cooperative will be autonomous, making its own rules and procedures and administering its own funds. We will collect regional cooperative marketing fees for marketing cooperatives, if applicable. Franchisees are not required to participate in any local or regional marketing cooperatives.

Local Marketing.

You must spend an amount equal to 3% of Your Gross Revenues for marketing in your Territory.

Internet/Social Media Activities.

We maintain a website that provides information about the System, the products and services offered by franchisees, and we will have sole discretion and control over it. We also have the sole right to create interior pages on our website(s) that contain information about your business and other franchised and company owned locations. All Franchisees are given access to post on the interior web pages for their location within the Franchisor's guidelines.

You may not establish a presence on, or market using, the Internet without our prior written consent. If you disagree with the content of your Franchisee's Page, our determinations will control. We retain the sole right to advertise or use the Marks on the Internet. We retain ownership of your Facebook, Facebook groups and communities, Google, Yahoo, Bing, Yelp, and any other online business profile pages. We may require you to provide content for our Internet marketing pages. Should your internet presence become inactive or fail to comply with system standards, Franchisor may assume control of all internet activities for your Goliathtech business. You must comply with our intranet and Internet usage rules, style guide, and requirements. (Franchise Agreement Section 7.15) You must comply with Franchisor's Social Media Policy and guidelines as they may be amended or modified from time to time.

Computer System.

We require You to use certain computer equipment and software. You may not use any computer hardware that does not meet Our current minimum requirements. You are responsible to maintain and repair Your hardware and to update or upgrade Your software. We may recommend or require additional hardware. We currently require You to use the following computer software:

> Any software program that includes email capabilities, i.e. Microsoft Outlook, Mac Entourage or Mail.

As scheduling, report preparation and processing software and accounting programs become

more sophisticated, you may need to upgrade or supplement hardware and related items. We anticipate the cost to purchase or lease the computer system that meets our specifications to be $2,500. You must upgrade your computers, modems and printers and purchase any additional equipment we specify to accommodate the software, or to improve the overall effectiveness and competitiveness of your business. We do not expect these types of upgrades or maintenance to exceed $1,000 per full location in any 24-month period. There are no contractual limitations on the frequency or the costs you may incur to upgrade or update the computer system. We nor our Affiliate or other third party have any obligation to provide ongoing maintenance, repairs, upgrades or updates to your computer hardware or software. We will have independent and unlimited access to the information that will be generated or stored in any electronic cash register or computer system. There are no contractual limitations on Our right to access the information.

Site Selection.

You may operate your Franchised Business from premises that you own or lease. You are not required to locate your business within your Territory. We will not unreasonably withhold our consent to your proposed location, but we will not provide any direct site selection assistance to you and we will not review your lease. We do not provide any assistance to you with the construction, remodeling, or review of your plans for the construction or remodeling of the proposed site. The factors that we will consider in approving your site include (i) whether the proposed location has sufficient space for your business including adequate storage for tools, equipment and inventory; (ii) whether the proposed site has sufficient capacity for telephone and data lines; and (iii) whether the proposed site is consistent with our System standards as those standards may be modified from time to time.

Time To Open.

The typical length of time between when You sign the Agreement or pay the initial franchise fee and the time when Your Licensed Business opens will generally be 2 to 3 months. You must open the Licensed Business within four (4) months of the signing of the Franchise Agreement, or We may terminate the Agreement. The factors affecting this length of time include the time necessary for You to obtain Premises and equipment, obtain required licenses, schedule Your initial training, and hire and train any employees. There may be unusual circumstances in which, because of delays and other events beyond Our control it takes longer than three months. On the other hand, it could be less than two months. We cannot predict the time it may take for you to obtain the licenses and permits that may be required by your state, city, or local government.

Item 12. Territory

We will grant You a non-exclusive protected geographic territory ("Territory") which We will describe in Addendum B to the Franchise Agreement. The Territory will be defined by towns, cities, counties, zip codes, or other geographic boundaries. If You are not in breach of the Agreement, We will not locate or open a competitive business under the Marks and using the System in Your Territory, either company-owned or franchised, during the term of the Agreement. We will not solicit or accept orders from customers inside Your Territory with the sole exception of accounts with manufactured home builders (“Manufactured Home Manufacturers”), to which we have the right to solicit and sell product, all without compensation to Franchisees within whose Territory such a customer is located or does business. You may not solicit business from those Manufactured Home Manufacturers without our express written consent, which we may grant or withhold in our sole discretion.

We have also established a program in which We will directly invoice manufactured home installers("MHI"s) in Your Territory who will purchase product directly from Us. Franchisee will identify MHIs in its Territory and present the potential MHI to Us for our evaluation as a participant in the program. We refer to this as the "MHI Program". We will provide direct invoicing and collections, provide financing of the MHI orders in our discretion, and provide administrative support and directly ship the product to the MHI customer. You will be paid a commission based on Our direct invoiced sale to the MHI in Your Territory, equal to the difference in the Franchisee's cost of product on Franchisor's most recent price list and the MHI purchase price as determined by Us. Franchisee may continue to perform manufactured home installations in the Territory but may not sell product directly to an MHI.

You may locate the Franchised Business at any location which may be within or outside of Your Territory. You may relocate the Franchised Business without Our prior approval. You may not operate outside of Your Territory. However, if a neighboring Territory is not licensed to another franchisee, You may operate in that Territory until it is franchised to a Licensee. You may not use other channels of distribution, such as the internet, catalogue sales, telemarketing or other direct marketing, to make sales outside of Your territory. We do not grant You with any options, rights of first refusal or similar rights to acquire additional franchises within the territory or contiguous territories except as set forth in this Item. The Agreement does not permit Us to modify the boundaries or size of Your Territory.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets we own, or from other channels of distribution or competitive brands we control.

Except as described above, We and Our affiliate(s) will not establish other franchised or company- owned businesses within Your Territory using the Mark or under a different trademark. Neither We or Our Affiliate has used or reserves the right to use other channels of distribution, such as the Internet, catalogue sales, telemarketing, or other direct marketing, to make sales within Your Territory of products or services under Our principal trademark or under different trademarks different from the ones You will use under the Franchise Agreement. Your continued Territory rights are affected by Your market penetration. We may terminate Your Franchise Agreement if you fail to meet the following required minimum purchases of Franchisor manufactured products in any given year for each franchise territory you own. Each year below refers to the 12-month period that begins on the date You and We sign the Franchise Agreement.

Minimum Required Yearly Purchases of Franchisor's Manufactured Products

Year 1 - $15,000
Year 2 - $25,000
Year 3 - $35,000
Year 4 - $45,000
Year 5 - $50,000
10% yearly incremental increase of the then-current franchise agreement after Year 5.

In the event of the assignment of the Franchise Agreement, the assignee assumes the assignor's Minimum Purchase Requirement at the time of the assignment

If You are in full compliance with the Agreement and with the Manual, We may permit You to acquire additional territories, although we are not required to do so. The price of an additional territory is $37,125. The purchase price for the additional territory is payable in full upon signature of a new franchise agreement for the additional territory,

Item 13. Trademarks

GoliathTech Inc. has obtained Principal Register federal registration of the mark "GoliathTech". The registration date was September 20, 2016. The United States Patent and Trademark Office has issued Registration Number 5,045,694. We have also obtained Principal Register federal registration of the mark "The Pillars of Your Projects GoliathTech". The registration date was November 20, 2018. The United States Patent and Trademark Office has issued Registration Number 5,612,984. No affidavits are currently due. We are not aware of any opposition to our registrations and none have been filed with the United States Patent and Trademark Office.

There are no currently effective material determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, or any state trademark administrator or court, any pending infringement, opposition or cancellation proceedings. There are no currently effective agreements that significantly limit the franchisor's right to use or license the use of the trademarks listed in this section in a manner material to the franchise.

You must inform Us if You become aware of any misuse or misappropriation of the Marks or anything confusingly similar. You may not start any litigation relating to the wrongful use of the Marks without Our prior written approval. We may take whatever action We deem appropriate to protect or defend the Marks or System, but the Franchise Agreement does not require us to defend or indemnify You or take any action in the event of a trademark infringement claim is asserted against You.

If a third party sues You claiming that You are infringing the trademark or trade name of the third party by using the Marks, You must inform Us immediately. We will indemnify You as to that claim only and have the right to control the litigation or administrative proceedings.

It may become necessary in Our sole discretion, because of trademark litigation, a decision of the Patent and Trademark Office, or otherwise, to change, modify, or discontinue the Marks. In that event, You must immediately adopt the new or revised Marks and Our maximum liability, including for any purported goodwill, is to reimburse You for the actual out-of-pocket costs of changing the principal signs identifying Your Premises.

We are not aware of any superior prior rights or infringing uses that could materially affect Your use of the Marks in the state where the franchise will be located.

Item 14. Patents, Copyrights and Proprietary Information

We have filed the following applications with the U.S. Patent and Trademark which are material to the franchise:

Patent/ Design	Application No.	Filing Date	Patent Reg. No.	Grant Date	Title	Status
Design	29/471,020	10/28/2013	D735,569	8/4/2015	Pile Head Connector	Issued
Design	29/471,021	10/28/2013	D735,896	8/4/2015	Helix Adaptor For A Pile	Issued

Patent/ Design	Application No.	Filing Date	Patent Reg. No.	Grant Date	Title	Status
Design	29/502,013	9/10/2014	D754,880	4/26/2016	Fence Post Adaptor	Issued
Patent	61/868,773	8/22/2013	N/A (provisional)	N/A	Pile, Pile Head and Connector Therefor	Expired in favor of complete applications
Patent	14/423,878	2/25/2015	9,631,335	4/26/2017	Pile, Pile Head And Connector Therefor	Issued
Patent Application	15/457,381	8/22/2014	N/A	N/A	Pile, Pile Head and Connector Therefor	Allowed
Patent	62/422,631	11/16/2016	N/A	N/A	Mobile Home Support Assembly	Expired in favor of complete applications
Patent Application	15/814,907	05/17/2018	N/A	N/A	Support Assembly For A Building Structure	Pending
Patent Application	16/059,618	08/09/2018	N/A	N/A	Support Apparatus For Supporting A Headstone	Pending

All Issued Patents have a duration of 20 years from the Issuance Date.

There are no material determinations of the United States Patent and Trademark Office, or a court regarding the patent applications. There are no agreements that limit the use of the patent applications. We know of no infringement that could materially affect the franchise.

If a third party sues You claiming that You are infringing the patent rights of the third party by selling the helical piles or other proprietary items We require You to purchase from us, You must inform Us immediately. We will indemnify You as to that claim and We will have the right to control the litigation or administrative proceedings.

It may become necessary in Our sole discretion, because of patent litigation, a decision of the Patent and Trademark Office, or otherwise, to modify or discontinue using Our proprietary helical piles. In that event, You must immediately discontinue your promotion, sale or installation of the piles and Our maximum liability, including for any purported goodwill, is to

repurchase all of the effected product from You at cost.

We are not aware of any superior prior rights or infringing uses that could materially affect Your use of the patented products in the state where the franchise will be located.

We claim copyright protection and will continue to claim copyright protection of the Manual and revisions of all Manuals and Handbooks and construction plans loaned to You, and all training materials We provide or sell to You and Your employees. We have not registered any copyrights but may in the future.

The Manual(s), the contents of each, and certain other information We will provide to You, including certain methods, marketing and sales strategies and annual reports on marketing funds expenditures, if required, are all confidential trade secrets. All information We provide to You or which You develop in the course of performing under the Franchise Agreement which is not generally available to the public and which a competitor might find valuable are trade secrets. If We designate something as a "Trade Secret", You must treat it as a Trade Secret whether or not it would otherwise meet any definition of "Trade Secret". You are responsible for protecting all trade secrets and other confidential and proprietary information and You cannot transfer them or sell them to anyone at any time. You must require Your Manager(s) and other employees who have access to Trade Secrets to comply with Your obligations under the Franchise Agreement to protect Our Trade Secrets. The Franchise Agreement does not require Us to take any action to protect Our copyrighted information.

Item 15. Obligation to Participate in the Actual Operation of the Franchised Business

You must either devote Your full time and effort to managing and operating the Licensed Business or delegate its management or operation to a responsible person that We have approved. You must reserve and exercise ultimate authority and responsibility over operation and management of the Licensed Business. If You delegate management and operation to a Manager, the Manager must first successfully complete Our initial training program within sixty days after assuming the role of Manager. If You are a corporation or other entity, each owner must personally guaranty the Agreement and the entity must designate a competent Manager. We do not require the designated Manager to be an equity owner of the franchised business. You or a designated Manager must be responsible for business operations and management. You must require each Manager and employee to whom You disclose our trade secrets to be subject to the trade secrets section of the Franchise Agreement (Franchise Agreement – Article 5). You must require every Manager and employee with access to trade secrets or confidential information to sign a confidentiality agreement (See Addendum E to the Franchise Agreement). The current form of confidentiality agreement is Addendum E to the Franchise Agreement.

Item 16. Restrictions on What the Franchisee May Sell

You may offer for sale only products and services We approve and manufacture. We may revoke approval of any goods or services that we have previously approved, upon reasonable advance notice to You. You must offer the sale and installation of helical piles (screw piles) operating under Our Marks and following Our System and manufactured by GoliathTech, Inc. You must sell all products and services as we direct. Franchisee shall make its best efforts to market Franchisor's products to all potential channels and business types as Franchisor may direct. Any effort by Franchisee to offer product to any one specific channel or customer type to the exclusion of all others is a material breach of the Franchise Agreement.

You must purchase exclusively all products from Us including the piles, the drills to install the piles and all other products on our product list. You may not re-sell our products but only use them for installations you perform. You must obtain other supplies and equipment from suppliers We select or approve. We have sole discretion in determining what constitutes the GoliathTech image. The image is constantly evolving as markets change.

We may change the System or any part of the System at any time, and as changed it will remain the System. We own any improvements or changes in the System whether We, You or other franchisees develop them and have the right to adopt and perfect such improvements or changes without compensating You. If We modify the System, You must, at Your own expense, adopt and use the modification(s) as if they were part of the System at the time You signed the Agreement. There are no restrictions on Our right to modify the types of goods and services You will offer except that You will remain primarily offering and installing helical piles.

Item 17. Renewal, Termination, Transfer and Dispute Resolution

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this Franchise Disclosure Document.

	Provision	Section in Franchise Agreement	Summary
a.	Length of the Franchise Term	Article 1	5 years
b.	Renewal or extension of the term	Article 9	If You are in good standing and We continue the franchise system in Your area, We may permit You to renew for successive 5-year terms under the then-current agreement, which may be materially different than the agreement We are now offering.
c.	Requirements for Franchisee to renew or extend	Article 9	Be in good standing with Us, sign new agreement which may contain materially different terms and conditions as Your original agreement, update or replace signs and equipment, retain Premises, give 12 months' notice and pay a fee of not more than 25% of the then-current Initial Fee.
d.	Termination by Franchisee	None	Franchisee may terminate only as provided by law.
e.	Termination by Franchisor without cause	Not Applicable	

	Provision	Section in Franchise Agreement	Summary
f.	Termination by Franchisor with cause	Article 15	We may terminate only for cause. We may, in lieu of terminating Your franchise, terminate Your territorial rights and leave Your franchise in full force and effect; however, terminating Your territorial rights does not limit Our rights thereafter to terminate Your franchise for the same or a different cause.
g.	"Cause" defined—curable defaults	Article 15	You have 72 hours to cure: failure to pay Us or another GoliathTech franchisee; unauthorized assignment; abandonment (even if unintentional); You become insolvent; failure to pay any taxes before delinquent; sublicensing of Marks; impasse among owners of Franchise; refusal to permit an audit; violation of any law or rule (including any health codes, rules or regulations); conviction of a felony; failure to operate properly using the Marks; unethical or dishonest business dealings; failure to maintain insurance; failure to timely deliver estoppel certificate; or termination of any other agreement between You and Us for cause; failure to meet the minimum annual product purchase requirement. You have 30 days to cure any breach of the Agreement for which the Agreement does not specify a shorter period.

	Provision	Section in Franchise Agreement	Summary
h.	"Cause" defined—non-curable defaults	Article 15	Non-curable defaults: repeated defaults, even if cured; You are adjudged bankrupt; assignment for benefit of creditors; abandonment of business; convicted or plead guilty to violating law relating to Licensed Business.
i.	Franchisee's obligations on termination or on-renewal	Articles 16 & 17	No further use of Marks, telephone numbers, telephone listings, computer software, trade secrets or the Manual; certain notification obligations; payment of sums due to Us; We have option to lease or assume lease for Your Premises; sign document(s) to transfer telephone numbers; continuing royalties on pending sales, if any; and We have option to purchase any part of Your business assets. If We elect to assume Your lease and to operate a GoliathTech business from Your Premises, You must cooperate in a changeover procedure, including notifying the landlord of the change of tenant, conducting an inventory, permitting Us to use Your furniture, fixtures and equipment for up to 60 days, and permitting Us to communicate directly with Your employees, vendors and customers in order to facilitate a smooth transition.
j.	Assignment of contract by Franchisor	Articles 12, 14 & 20	No restriction on Our right to assign except that if Our assignee assumes all Our obligations to You then We are free of further liability to You.

	Provision	Section in Franchise Agreement	Summary
k.	"Transfer" by Franchisee—defined	Articles 11, 12, 13 & 14	Includes any assignment, transfer, sale, sublease or encumbrance of the Agreement, the Franchise, the assets of Your business, the Premises, or of any ownership interest in the Franchisee if You are a corporation, partnership or limited liability company or other form of Entity.
l.	Franchisor approval of transfer by franchisee	Articles 11, 12, 13 & 14	Franchisor has the right to approve or disapprove all transfers.
m.	Conditions for Franchisor approval of transfer	Articles 11, 12, 13 & 14	You are current in all fees to Us; You are not in material breach of the Agreement; You have paid all debts of Your business; new Franchisee signs release of claims against Us for representations You made; You sign a mutual termination and release of the Agreement; We receive transfer fee (20% of the then-current Initial Fee); new Franchisee assumes the remaining term of the Franchise Agreement and the assignor's Minimum Product Purchase Requirement; new Franchisee qualifies; new Franchisee successfully completes initial training program; new Franchisee obtains rights to Your Premises lease, if applicable; and We receive 30 day right of first refusal. The fee to transfer to an entity with identical ownership is $500.
n.	Franchisor's right of first refusal to acquire Franchisee's business	Article 12 & 17	We may match any offer for Your business.
o.	Franchisor's option to purchase Franchisee's business	Article 17	On termination, We may purchase any part of Your business at the fair market value of the tangible personal property purchased.

	Provision	Section in Franchise Agreement	Summary
p.	Death or disability of Franchisee	Articles 12 & 13	Your heirs or personal representative must, within 90 days, either (i) request the right to continue to operate the business, subject to Article 13 of the Agreement except that no transfer fee will be payable, or (ii) sell the Licensed Business to a third party, subject to Article 13 of the Agreement. If We deny a request to continue to operate the business, the 90 days to sell begins on the date of Our denial. The same applies if You become disabled as defined in Article 13.03 of the Agreement.
q.	Non-competition covenants during the term of the franchise	Article 16	Each of the franchisee, the designated operator of any partner, director, officer, director or shareholder of the franchisee and anyone with any interest of any nature whatsoever, direct or indirect, in the franchisee covenants and agrees hereby will not, directly or indirectly, either for himself or on behalf of or in conjunction with any other person, partnership, association or corporation, own, maintain, engage in, lend money, lend his name, endorse any debt or obligation, assist or assistance, to be used, perform, participate in or have an interest of any nature whatsoever to, or in any business of which all or a portion substantial activity is in operation, the concession and / or franchising a business of manufacturing and installation of helical piles or structural support systems that are similar in design to the helical piles we manufacture and sell to You (subject to state law).

	Provision	Section in Franchise Agreement	Summary
r.	Non-competition covenants after the franchise is terminated or expires	Article 16	During the term and for a period of two (2) years after any termination of this Agreement, each of the franchisee, the designated operator of any shareholder, director, officer, director or shareholder of the franchisee or any person with any interest, direct or indirect, of any kind, in the franchisee shall not: (a) divert or attempt to divert any business or any current or potential customer of the franchise business to any competitor directly or indirectly, or (b) employ or seek to employ any person who, at that time or at any time during the six (6) months earlier, is or was employed by the franchisor or by one of its franchisees, or otherwise encourage, directly or indirectly, such person to leave his job, except with the prior written consent of the franchisor and employer of that person; (c) use for any purpose other than for the sole purpose of the operation of the franchised business, disclose or communicate to any person other than the franchisor, for any reason whatsoever, unless forced to do so by a specific law or by court order, any confidential information relating to the affairs of the franchised business, the franchisor or other franchisees of the franchisor or the contents of the Operations Manual, the present provision to customers, suppliers, price lists, competitors, samples, trade secrets, market studies and other accounting data, all rights reserved, names and addresses of employees, description of equipment and affairs of the franchised business, the franchisor and any another franchisee of the franchisor; (d) engage in the business of the sale or installation of structural support systems or engage in the business of offering or supporting franchises that engage in the business of the sale or installation of helical piles or structural support systems that are similar in design to the helical piles we manufacture and sell to You, within the Franchisee's Territory or former Territory or within a 25-mile radius of the Territory (subject to state law).

	Provision	Section in Franchise Agreement	Summary
s.	Modification of the agreement	Article 20	Only by written agreement, We may modify Manual at any time.
t.	Integration/merger clause	Article 20	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises made outside the disclosure document and franchise agreement may not be enforceable. No provision of the Franchise Agreement may disclaim or require the Franchisee to waive reliance on the representations made in the Franchise Disclosure Document.
u.	Dispute resolution by arbitration or mediation	Article 18	Except for actions for the sole purpose of collecting unpaid monies, including franchise fees, royalties or Marketing Fees or to enforce trademark or trade secret rights and covenants against competition, We will settle all disputes with You by Arbitration, which will only occur after the parties try informally to resolve the dispute and participate in mediation.
v.	Choice of forum	Articles 18 & 20	Litigation or arbitration must be in the Province of Quebec, Canada (subject to applicable state law)
w.	Choice of law	Article 20	Canadian law applies (subject to applicable state law).

Item 18. Public Figures

We do not currently use any public figure to promote Our franchise.

Item 19. Financial Performance Representations

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchises and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet You are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make such representations either orally or in

writing. If You are purchasing an existing outlet, however, We may provide You with the actual records of that outlet. If You receive any other financial performance information or projections of Your future income, You should report it to our management by contacting Julian Reusing, 477 boulevard Poirier, Magog, Quebec, J1X 7L1, Canada. Toll Free 855-743-4777, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20. Outlets and Franchisee Information

TABLE NO. 1

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised Outlets	2019	137	131	-6
	2020	131	129	-2
	2021	129	107	-22
Company-Owned	2019	0	0	0
	2020	0	0	0
	2021	0	0	0
Total Outlets	**2019**	**137**	**131**	**-6**
	2020	**131**	**129**	**-2**
	2021	**129**	**107**	**-22**

Notes:

1. Our fiscal year ends on 1/31; the annual information in the Item 20 charts for each year reflect results through 1/31 of the following year.

TABLE NO. 2

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor) For years 2019 to 2021

State	Year	Number of Transfers
Alaska	2019	1
	2020	0
	2021	0
Connecticut	2019	1
	2020	0
	2021	0
Massachusetts	2019	0
	2020	0
	2021	0
North Carolina	2019	0
	2020	1
	2021	0
Vermont	2019	3
	2020	0
	2021	0
Total	**2019**	**5**
	2020	**1**
	2021	**0**

TABLE NO. 3

Status of Franchised Outlets
For years 2019 to 2021

State	Year	Outlets at Start of Year	Outlets Opened	Terminated	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of Year
AL	2019	0	2	0	0	0	0	2
	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
AZ	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
AK	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
CA	2019	8	0	0	0	0	0	8
	2020	8	1	0	0	0	0	9
	2021	9	2	3	3	0	0	5
CO	2019	0	0	1	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
CT	2019	7	0	0	0	0	0	7
	2020	7	0	0	0	0	0	7
	2021	7	0	0	6	0	1	0
DE	2010	2	0	0	0	0	0	2
	2020	2	0	2	0	0	0	0
	2021	0	0	0	0	0	0	0
FL	2019	1	1	0	0	0	0	2
	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2

State	Year	Outlets at Start of Year	Outlets Opened	Terminated	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of Year
GA	2019	0	1	1	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
ID	2019	2	0	0	0	0	0	2
	2020	2	1	0	0	0	0	3
	2021	3	0	0	0	0	0	3
IL	2019	3	0	0	0	0	0	3
	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
IA	2019	6	0	0	0	0	0	6
	2020	6	0	0	0	0	0	6
	2021	6	0	0	0	0	0	6
KS	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
KY	2019	1	0	1	0	0	0	0
	2020	0	0	1	0	0	0	0
	2021	0	0	0	0	0	0	0
LA	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
MA	2019	14	0	0	0	0	0	14
	2020	14	0	0	0	0	0	14
	2021	14	0	0	0	0	3	11
ME	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Terminated	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of Year
MI	2019	2	0	1	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
MO	2019	3	0	0	0	0	0	3
	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
MN	2019	12	0	0	0	0	0	12
	2020	12	0	0	0	0	0	12
	2021	12	0	0	0	0	0	12
NH	2019	5	0	2	0	0	0	3
	2020	3	1	0	0	0	0	4
	2021	4	0	0	1	0	0	3
NJ	2019	6	1	0	0	0	0	7
	2020	7	4	0	0	0	0	11
	2021	11	0	0	0	0	0	11
NM	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
NY	2019	13	1	3	0	0	0	11
	2020	11	0	0	0	0	0	11
	2021	11	1	5	0	0	0	7
NC	2019	5	0	0	0	0	0	5
	2020	5	0	0	0	0	0	5
	2021	5	0	1	0	0	1	3

State	Year	Outlets at Start of Year	Outlets Opened	Terminated	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of Year
ND	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
OH	2019	3	0	0	0	0	0	3
	2020	3	0	1	0	0	0	2
	2021	2	0	0	0	0	0	2
OR	2019	4	0	0	0	0	0	4
	2020	4	0	4	0	0	0	0
	2021	0	1	0	0	0	0	1
PA	2019	4	0	0	0	0	0	4
	2020	4	1	0	0	0	0	5
	2021	5	1	0	0	0	0	6
RI	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
SC	2019	1	0	0	0	0	0	1
	2020	1	1	1	0	0	0	1
	2021	1	0	0	0	0	0	1
SD	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
TN	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
TX	2019	4	0	4	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0

State	Year	Outlets at Start of Year	Outlets Opened	Terminated	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of Year
UT	2019	4	0	0	0	0	0	4
	2020	4	0	0	0	0	0	4
	2021	4	1	0	0	0	0	5
VT	2019	3	0	0	0	0	0	3
	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
WA	2019	5	0	0	0	0	0	5
	2020	5	0	3	0	0	0	2
	2021	2	0	0	2	0	0	0
WI	2019	9	0	0	0	0	0	9
	2020	9	0	1	0	0	0	8
	2021	8	0	0	2	0	0	6
WY	2019	1	0	0	0	0	0	1
	2020	1	1	1	0	0	0	1
	2021	1	0	0	0	0	0	1
Total	**2019**	**137**	**7**	**13**	**0**	**0**	**0**	**131**
	2020	**131**	**9**	**11**	**0**	**0**	**0**	**129**
	2021	**129**	**6**	**9**	**14**	**0**	**5**	**107**

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TABLE NO. 4

Status of Company-Owned Outlets
For years 2019 to 2021

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
All States	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
Totals	**2019**	**0**	**0**	**0**	**0**	**0**	**0**
	2020	**0**	**0**	**0**	**0**	**0**	**0**
	2021	**0**	**0**	**0**	**0**	**0**	**0**

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TABLE NO. 5
Projected Openings as of December 31, 2021

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet In This Fiscal Year (2022)	Projected New Company- Owned Outlet In This Fiscal Year (2022)
Arizona	0	1	0
California	0	1	0
Florida	0	1	0
Georgia	0	1	0
Illinois	0	1	0
Montana	0	1	0
New Jersey	0	1	0
New York	0	1	0
Nevada	0	1	0
Ohio	0	1	0
Oklahoma	0	1	0
Pennsylvania	0	1	0
South Carolina	0	1	0
Texas	0	1	0
West Virginia	0	1	0
Wisconsin	0	1	0
TOTAL	**0**	**16**	**0**

No franchisees have signed confidentiality clauses during the last three fiscal years. There are no trademark-specific franchisee organizations associated with Our franchise system.

If You purchase this franchise Your contact information may be disclosed to other buyers when You leave the franchise system.

Item 21. Financial Statements

Exhibit A contains Our Financial Statements consisting of Our audited financial statements as of January 31, 2020, January 31, 2021, January 31, 2022. Our fiscal year ends on January 31.

Item 22. Contracts

We urge You to read all of the contracts and agreements carefully. This Franchise Disclosure Document cannot possibly contain all of the terms of the various agreements. It is important

that You understand all of those terms. We have attached the following contracts and agreements:

Exhibit B – Franchise Agreement with:

Addendum A, Location of Licensed Business
Addendum B, Territory
Addendum C, Assignment of Telephone Number
Addendum D, Personal Guaranty
Addendum E. Trade Secrets & Confidentiality Agreement Addendum F, Mutual Termination and Release Agreement

Item 23. Receipts

A receipt for this Franchise Disclosure Document is attached at the end of this document. You must remove one copy, sign it and return it to Us.

EXHIBIT A TO THE DISCLOSURE DOCUMENT FINANCIAL STATEMENT

GoliathTech Inc.
A Canadian Corporation

Financial Statements

GoliathTech Inc.

Consolidated Financial Statements
January 31, 2022 and 2021
(expressed in United States dollars)

April 29, 2022

Report of Independent Auditors

To the Shareholders of
GoliathTech Inc.

Opinion
We have audited the accompanying consolidated financial statements of GoliathTech Inc. and its subsidiaries (the "Company"), which comprise the consolidated balance sheets as of January 31, 2022 and 2021, and the related consolidated statements of shareholders' deficiency, income and comprehensive income and cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of January 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion
We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the consolidated financial statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l.
1250 René-Lévesque Boulevard West, Suite 2500, Montréal, Quebec, Canada H3B 4Y1
T: +1 514 205 5000, F: +1 514 876 1502

"PwC" refers to PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l., an Ontario limited liability partnership.

Auditors' responsibilities for the audit of the consolidated financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Emphasis of matter
The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in note 2 to the consolidated financial statements, the Company has a cumulative deficit that raises substantial doubt about its ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding this matter is also described in note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

PricewaterhouseCoopers LLP[1]

Montréal, Quebec

[1] CPA auditor, CA, public accountancy permit No. A116819

GoliathTech Inc.

Consolidated Balance Sheets

As of January 31, 2022 and 2021

(expressed in United States dollars)

	2022 $	2021 $
Assets		
Current assets		
Cash	233,669	162,752
Accounts receivable (note 4)	1,316,227	1,275,660
Sales taxes receivable	338,443	61,315
Inventories (note 5)	3,530,161	2,081,460
Deposit and prepaid expenses	95,064	141,775
Deferred commissions	42,800	63,428
	5,556,364	3,786,390
Long-term portion of deferred commissions	51,430	59,283
Long-term accounts receivable, bearing interest between 0.00% and 9.60% and without repayment terms	5,759	78,406
Deposit on equipment	-	774,730
Property, plant and equipment (note 6)	8,885,691	1,212,047
Intangible assets (note 7)	883,957	766,242
	15,383,201	6,677,098

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

GoliathTech Inc.

Consolidated Balance Sheets . . . *continued*

As of January 31, 2022 and 2021

(expressed in United States dollars)

	2022 $	2021 $
Liabilities		
Current liabilities		
Bank loan (note 8)	1,352,307	989,828
Accounts payable and accrued liabilities (note 9)	1,288,614	864,057
Current portion of deferred revenue US GAAP	362,327	435,370
Deferred revenue	1,966	17,915
Current portion of long-term debt (note 10)	329,319	174,397
Current portion of obligations under capital leases (note 11)	249,216	70,658
	3,583,749	2,552,225
Deferred revenue US GAAP	1,088,838	1,015,660
Long-term debt (note 10)	7,252,286	676,908
Obligations under capital leases (note 11)	1,317,825	838,765
Loans from shareholders, bearing interest between 3.83% and 4.95% payable monthly, and without specified repayment terms	3,387,279	3,371,111
	16,629,977	8,454,669
Shareholders' Deficiency		
Share capital (note 12)	1,619,267	1,618,953
Deficit	(3,044,242)	(3,606,792)
Accumulated other comprehensive income	178,199	210,268
	(1,246,776)	(1,777,571)
	15,383,201	6,677,098
Going concern (note 2)		
Commitments (note 15)		

Approved by the Board of Directors

_____ Director_____

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

GoliathTech Inc.

Consolidated Statements of Shareholders' Deficiency

For the years ended January 31, 2022 and 2021

(expressed in United States dollars)

	Share capital $	Deficit $	Accumulated other comprehensive income $	Total shareholders' deficiency $
Balance – February 1, 2020	1,618,875	(4,212,921)	295,364	(2,298,682)
Net income for the year	-	606,129	-	606,129
Other comprehensive loss	-	-	(85,096)	(85,096)
Issuance of share capital	78	-	-	78
Balance – January 31, 2021	1,618,953	(3,606,792)	210,268	(1,777,571)
Net income for the year	-	562,550	-	562,550
Other comprehensive loss	-	-	(32,069)	(32,069)
Issuance of share capital	314	-	-	314
Balance – January 31, 2022	1,619,267	(3,044,242)	178,199	(1,246,776)

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

GoliathTech Inc.

Consolidated Statements of Income and Comprehensive Income

For the years ended January 31, 2022 and 2021

(expressed in United States dollars)

	2022 $	2021 $
Revenue		
Product sales (Schedule F)	9,998,659	7,961,542
Franchise revenue (Schedule F)	1,246,080	1,029,169
	11,244,739	8,990,711
Cost of goods sold (Schedules A and F)	6,307,457	4,949,761
Gross profit	4,937,282	4,040,950
Operating expenses		
Selling expenses (Schedule B)	1,775,944	1,233,679
General and administrative expenses (Schedule C)	2,392,270	1,795,996
Financial expenses (Schedule D)	382,158	275,429
	4,550,372	3,305,104
Operating income	386,910	735,846
Other income (loss) (Schedule E)	175,640	(129,717)
Net income for the year	562,550	606,129
Other comprehensive loss		
Foreign currency translation adjustment	(32,069)	(85,096)
Comprehensive income	530,481	521,033

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

GoliathTech Inc.

Consolidated Statements of Cash Flows

For the years ended January 31, 2022 and 2021

(expressed in United States dollars)

	2022 $	2021 $
Cash flows from		
Operating activities		
Net income for the year	562,550	606,129
Items not affecting cash		
Amortization of property, plant and equipment	341,778	199,590
Financial expenses	382,158	275,429
Allowance and provision	1,483	32,465
Gain on disposal of immovable building	(133,722)	-
Amortization of intangible assets	111,509	70,861
Amortization of deferred transaction costs	3,065	8,582
	1,268,821	1,193,056
Changes in non-cash operating working capital items (note 14)	(1,357,560)	(797,235)
	(88,739)	395,821
Investing activities		
Decrease in long-term accounts receivable	70,683	11,628
Acquisition of property, plant and equipment	(157,010)	(489,587)
Acquisition of immovable property	(3,255,321)	-
Acquisition of intangible assets	(227,309)	(129,033)
Net proceeds from sale of immovable property	133,722	-
Decrease in due from shareholders	-	2,140
	(3,435,235)	(604,852)
Financing activities		
Increase in bank loan	363,215	571,706
Transaction costs	(3,065)	(2,442)
Loan to acquire immovable property	3,255,321	(267,845)
Interest paid	(382,158)	(54,777)
Repayment of obligations under capital leases	(93,679)	(365,101)
Repayment of long-term debt	(166,668)	-
Increase in long-term debt	638,621	455,870
Issuance of share capital	314	78
	3,611,901	337,489
Effect of exchange rate changes on cash	(17,010)	(52,152)
Net change in cash during the year	70,917	76,306
Cash – Beginning of year	162,752	86,446
Cash – End of year	233,669	162,752
Additional information (note 14)		

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

(expressed in United States dollars, unless otherwise specified

1 Description of the business

GoliathTech Inc. (the Company), incorporated under the Canada Business Corporations Act, is a manufacturer of helical screw piles. It operates its business through franchisees in different geographic locations.

2 Going concern

These consolidated financial statements have been prepared using accounting principles generally accepted in the United States of America (US GAAP) applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least but not limited to 12 months from the date of issuance of these consolidated financial statements.

The Company incurred net income of $562,550 (2021 –$606,129) and a negative cash flow of $88,739 (2021 – positive cash flow of $395,821), resulting in a cumulative deficit of $3,044,242 (2021 – $3,606,792). The Company's ability to continue its steady growth and further develop its commercial operations is dependent on the continued financial support of its lenders and shareholders and its ability to continually improve sales levels which will result in its ability to generate sufficient cash from operations in the future. Although the Company has been successful in the past, there is no assurance that these initiatives will be successful in the future.

The Company's ability to continue as a going concern is dependent on its ability to continue to grow its operations and continued financial support. Until such time, there is substantial doubt as to the ability of the Company to meet its obligations as they become due, and accordingly as to the appropriateness of the use of accounting principles applicable to a going concern. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, and the reported expenses and consolidated balance sheet classifications that would be necessary should the Company be unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

3 Significant accounting policies

Basis of preparation

The financial statements have been prepared in accordance with US GAAP and reflect the following significant accounting policies.

(expressed in United States dollars, unless otherwise specified

Basis of consolidation

GoliathTech Properties Inc. was set up for the sole purpose of purchasing a building which was planned to be used by the Company. As a result, GoliathTech Properties Inc. is considered a variable interest entity (VIE) for the purposes of consolidation.

The consolidated financial statements reflect the financial position and operating results of the Company, including the wholly owned subsidiaries it controls.

The Company's subsidiaries are GoliathTech Direct Inc., GoliathTech Direct II Inc., GoliathTech Properties Inc. and Godzi-Tek Metal Inc.; therefore, the Company is exposed to substantially all the risks and rewards of these subsidiaries.

Revenues and expenses of subsidiaries are included in the consolidated statement of income and comprehensive income from the effective date of acquisition. The subsidiaries are consolidated from the acquisition date until the date on which the Company ceases to control them.

All intercompany transactions, balances, revenues and expenses are eliminated in full upon consolidation.

Business combinations

The Company accounts for acquired businesses using the acquisition method of accounting in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 805, Business Combinations. The consideration transferred for the acquisition is the fair value of the assets transferred, liabilities incurred and the equity interest issued. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date.

Reporting currency

The consolidated financial statements have been translated from their functional currency, the Canadian dollar, into the reporting currency, the US dollar, using the current rate method. Under this method, as of January 31, 2022, the Company's assets and liabilities have been translated at the rate of US$1.0000 to CA$1.2719 (2021 – US$1.0000 to CA$1.2780) and, for the year ended January 31, 2022, the consolidated statements of shareholders' deficiency, income and comprehensive income and cash flows have been translated at the average rate for the year of US$1.0000 to CA$1.2528 (2021 – US$1.0000 to CA$1.3382).

Exchange gains and losses arising from this translation are included in the consolidated statement of income and comprehensive income as foreign currency translation adjustment.

Cash

Cash comprises current bank accounts.

(expressed in United States dollars, unless otherwise specified

Government assistance

Government assistance is recorded in the consolidated financial statements when there is reasonable assurance that the Company has complied with, and will continue to comply with, all conditions necessary to obtain the assistance.

The Company incurs research and development expenditures, which are eligible for investment tax credits. The recorded investment tax credits are based on management's estimates of amounts expected to be recovered and are subject to audit by taxation authorities. Government assistance, including investment tax credits for research and development, is reflected as a reduction in the cost of the assets or expenses to which it relates.

Inventories

Raw materials, work in progress and finished goods are valued at the lower of cost or net realizable value. Cost is determined on the first-in, first-out basis. The cost of work in progress and finished goods includes the cost of raw materials and the applicable share of the cost of labour and fixed and variable production overheads. Net realizable value is the estimated selling price less the estimated cost of completion and the estimated costs necessary to make the sale. Any writedown of inventory to its net realizable value is recognized as an expense in the period. When the net realizable value subsequently increases, the previously recognized impairment loss is reversed and recognized as a reduction in the amount of inventories expensed to cost of goods sold in the period the reversal occurs.

Fair value measurements

The Company applies ASC 820, Fair Value Measurements, which defines fair value and establishes a framework for measuring fair value and making disclosures about fair value measurements. ASC 820 establishes a hierarchical disclosure framework which prioritizes and ranks the level of market price observability used in measuring financial instruments at fair value. Market price observability is impacted by a number of factors, including the type of financial instruments and the characteristics specific to them. Financial instruments with readily available quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Financial instruments measured and reported at fair value are classified and disclosed in one of the following categories:

- Level I – A quoted price in an active market provides the most reliable evidence of fair value and is used to measure fair value whenever available.
- Level II – Pricing inputs are other than quoted market prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.
- Level III – Pricing inputs are unobservable inputs for the financial instruments and include situations where there is little, if any, market activity for them. The inputs into the determination of fair value require significant management judgment or estimation.

(expressed in United States dollars, unless otherwise specified

Fair value of financial instruments

The carrying amounts of cash, bank loan, accounts receivable, accounts payable and accrued liabilities and current portion of long-term debt are a reasonable estimate of their fair values because of their short-term maturity.

Transaction costs are added to the carrying value of the asset or netted against the carrying value of the liability and are then amortized over the expected life of the instrument using the straight-line method which approximates the effective interest method.

The carrying value of long-term debt excluding reduction for deferred transaction costs approximates fair value as the terms and conditions are comparable to those that the Company could get on the market. As for the loans from shareholders, since the repayment terms are not fixed or determined, the fair value of the loans cannot be determined.

Property, plant and equipment

Property, plant and equipment are recorded at cost. Amortization is calculated based on the following methods, rates and period:

	Method	Rate/Period
Computer equipment	Diminishing balance	30%
Leasehold improvements	Straight-line	10 years
Office furniture	Diminishing balance	20%
Plant equipment	Diminishing balance	15%
Plant furniture	Diminishing balance	20%
Plant tools	Diminishing balance	20%
Production equipment	Diminishing balance	20%
Rolling stock	Diminishing balance	30%
Signs	Diminishing balance	20%

Property, plant and equipment includes land and the building under construction, which are not subject to amortization.

Intangible assets

Intangible assets are recorded at cost. Amortization is calculated based on the following methods, rate and periods:

	Method	Rate/Period
Certification	Straight-line	20 years
Patents	Straight-line	20 years
Software	Diminishing balance	30%
Trademark	Straight-line	10 years

(expressed in United States dollars, unless otherwise specified

Long-lived assets such as property, plant and equipment and intangible assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when their carrying value exceeds the total undiscounted cash flows expected from the use and eventual disposition of the item. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value at the date of impairment.

Income taxes

The Company accounts for its income taxes using the asset and liability method, whereby deferred tax assets and liabilities are determined based on temporary differences between the bases used for financial reporting and income tax reporting purposes. Deferred income taxes are provided based on the enacted tax rates in effect at the time such temporary differences are expected to reverse. A valuation allowance is provided for deferred tax assets if it is more likely than not that the Company will not realize those tax assets through future operations.

The Company recognizes the tax benefit from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examination by the tax authorities, based on the technical merits of the position. The tax benefit is measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement.

The Company recognizes interest and penalties related to income tax matters in income tax expense.

Foreign currency translation

Transactions concluded in currencies other than the functional currency are translated at the exchange rates in effect at the end of the year for monetary assets and liabilities, at historical rates for non-monetary items, and revenues and expenses are translated at the average rate for the year. Exchange gains and losses arising from such transactions have been included in the statement of income and comprehensive income.

Revenue recognition

a) Initial franchise fees

Initial franchise fees relates to the sale of an individual franchise or an area franchise. Revenue is recognized based on the various performance obligations. Performance obligations exist when:

- A contract includes promises to transfer goods or services to a customer;
- If those goods or services are distinct, the promises are performance obligations and are accounted for separately;

(expressed in United States dollars, unless otherwise specified

- Goods or services are distinct if the customer can benefit from the good or service on its own or together with other resources that are readily available to the customer and the Company's promise to transfer the good or the service to the customer is separately identifiable from other promises in the contract; and
- Promises to provide services might be implied by the Company's customary business practice if those practices create a reasonable expectation to the customer that the entity will transfer a service.

The performance obligations include the equipment that a franchisee needs to start their operation, the right to perform work under the name of the franchise, minimum purchase requirements, a material right for renewal of contract and a material right for the purchase of additional territories. An allocation of the transaction price to the performance obligations in the contract is performed whereby the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the entity expects to be entitled in exchange for transferring the promised services. The transaction price allocated to performance obligations is estimated using the residual approach.

The different performance obligations are accounted for as follows:

Initial franchise fee	Over the term of the contract
Equipment	When transferred to the franchisee
Minimum purchase requirement	When transferred to the franchisee
Material right for renewal	Deferred until the renewal is exercised or not
Material right for additional territory	Deferred until the additional territory is bought

There are 159 franchises and territories in operation as of January 31, 2022 (2021 – 179).

b) Product sales

The Company recognizes revenue when it has satisfied the performance obligation by transferring the promised good (i.e. an asset) to a customer. An asset is transferred when the customer obtains control of that asset.

Deferred revenue

Deferred revenue consists of unfulfilled obligations due to franchisees and payments received from the franchisees for the purchase of goods not delivered as of year-end.

(expressed in United States dollars, unless otherwise specified

Use of estimates

The preparation of the consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management reviews its estimates on an ongoing basis, particularly as they relate to accounting for useful lives of property, plant and equipment, impairment of long-lived assets, valuation of intangible assets and the cost and net realizable value of inventories, based on management's best knowledge of current events and actions that the Company may undertake in the future. Actual results could differ from those estimates.

Future accounting pronouncements not yet in application

a) Leases with terms of more than 12 months

In February 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-02, Leases (Topic 842). ASU 2016-02 requires a lessee to recognize a liability for its lease obligation and an asset for its right to use the underlying asset under lease for leases with terms of more than 12 months. In addition, ASU 2016-02 eliminates certain prescriptive requirements for lease classification, and aligns certain of the underlying principles of the lessor revenue recognition model with ASU 2014-09, Revenue from Contracts with Customers (Topic 606). ASU 2016-02 requires entities to recognize and measure leases under the new guidance at the beginning of the earliest period presented using a modified retrospective approach. In July 2018, the FASB issued ASU 2018-11, Leases (Topic 842): Targeted Improvements, which allows for an additional and optional transition method under which an entity would record a cumulative-effect adjustment at the beginning of the period of the adoption.

ASU 2016-02 and ASU 2018-11 are effective for the Company for the fiscal year ending January 31, 2023, with early adoption permitted. The Company is currently evaluating the impact of adopting ASU 2016-02 and ASU 2018-11.

b) Measurement of credit losses on financial instruments

In June 2016, the FASB issued ASU 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, and in November 2018 issued a subsequent amendment, ASU 2018-19, Codification Improvements to Topic 326, Financial Instruments – Credit Losses. For instruments measured at amortized cost, ASU 2016-13 replaces the current incurred loss approach to estimating credit losses with an expected loss approach and updates the related disclosure requirements. ASU 2016-13 and 2018-19 are effective for the Company for the year ending January 31, 2024, with early adoption permitted. The Company has not yet determined the impact of the application of this new standard.

(expressed in United States dollars, unless otherwise specified

4 Accounts receivable

	2022 $	2021 $
Trade accounts receivable	912,151	1,113,804
Allowance for doubtful accounts	(15,724)	(14,085)
Other receivables	37,513	48,609
Government assistance receivable	382,287	127,332
	1,316,227	1,275,660

5 Inventories

	2022 $	2021 $
Raw materials	890,854	201,869
Work in progress	727,659	540,051
Finished goods	1,911,648	1,339,540
	3,530,161	2,081,460

(expressed in United States dollars, unless otherwise specified

6 Property, plant and equipment

			2022	2021
	Cost $	Accumulated amortization $	Net $	Net $
Land	186,644	-	186,644	
Computer equipment	114,757	76,738	38,019	37,448
Leasehold improvements	271,570	131,410	140,160	158,379
Office furniture	69,429	52,311	17,118	23,991
Plant equipment	985,541	471,877	513,664	636,580
Plant furniture	429,759	115,658	314,101	150,953
Plant tools	203,349	140,006	63,343	40,971
Production equipment	49,607	30,788	18,819	24,115
Rolling stock	102,733	49,200	53,533	61,770
Signs	4,950	3,367	1,583	2,073
	2,418,339	1,071,355	1,346,984	1,136,280
Building under construction	6,300,577	-	6,300,577	-
Assets under capital leases				
Plant equipment	1,368,463	161,154	1,207,309	41,103
Leasehold improvements	40,179	9,358	30,821	34,664
	1,408,642	170,512	1,238,130	75,767
	10,127,558	1,241,867	8,885,691	1,212,047

Accumulated amortization of property, plant and equipment as of January 31, 2021 was $900,891.

7 Intangible assets

			2022	2021
	Cost $	Accumulated amortization $	Net $	Net $
Certification	517,413	72,516	444,897	315,197
Patents	416,757	74,477	342,280	340,560
Software	313,057	242,277	70,780	74,214
Trademark	104,459	78,459	26,000	36,271
	1,351,686	467,729	883,957	766,242

Accumulated amortization of intangible assets as of January 31, 2021 was $356,183.

(expressed in United States dollars, unless otherwise specified

Amortization expense remaining relating to intangible assets for each of the fiscal years 2023 through 2026 is as follows:

	$
2023	89,809
2024	89,809
2025	89,809
2026	89,809
	359,236

8 Bank loan

The Company has an authorized line of credit of CA$3,000,000 ($2,358,676) (2021 – CA$1,800,000 ($1,408,451)), bearing interest at prime rate plus 0.50% (as of January 31, 2022 – 2.95% (2021 – bearing interest at prime rate plus 2.95%; as of January 31, 2021 – 6.80%)), of which CA$1,280,000 ($1,006,368) (2021 – CA$535,000 ($418,623)) remained unused as of year-end.

The Company also has an authorized derivative financial instrument global line of credit of CA$300,000 ($235,868) (2021 – CA$300,000 ($234,742)), of which CA$300,000 ($235,868) (2021 – CA$300,000 ($234,742)) remained unused as of year-end.

The two lines of credit are secured by a first rank mortgage of CA$5,000,000 ($3,931,126) over all assets, tangible and intangible, present and future, of the Company and by a suretyship of CA$600,000 ($471,735) given by a shareholder.

Under the terms of the lines of credit, the Company must meet certain financial and non-financial covenants. As of January 31, 2022, all such covenants were met.

9 Accounts payable and accrued liabilities

	2022 $	2021 $
Trade accounts payable	826,968	567,135
Accrued liabilities	189,743	42,188
Government remittances payable	731	2,417
Wages payable	271,172	252,317
	1,288,614	864,057

(expressed in United States dollars, unless otherwise specified

10 Long-term debt

	2022 $	2021 $
Loan of CA$19,905, bearing interest at 5.55%, payable in monthly instalments of principal and interest of CA$292, maturing in July 2023	3,956	6,387
Loan of CA$700,000, bearing interest at 6.20%, payable in monthly instalments of principal of CA$7,295, maturing in June 2026 (note 10(a))	366,822	439,276
Loan of CA$240,000, bearing no interest, with a 12-month moratorium on the payment of the capital portion, payable in monthly principal instalments of CA$5,000 beginning in June 2021, maturing in June 2025 (note 10(b))	155,544	171,202
Loan of CA$370,000, bearing interest at prime rate plus 3.39%, payable in 48 monthly instalments, maturing in May 2024 (note 10(c))	174,508	243,989
Loan of CA$800,000, bearing interest at 6.20%, payable in monthly instalments of principal of $18,861, maturing in January 2026	628,980	-
Loan of up to CA$5,000,000, bearing interest at a rate of 5.40%, with a 24-month moratorium on the payment of capital ending on May 10, 2023. The capital on the loan will be reimbursed over a total of 225 monthly instalments. The loan will have been reimbursed in full by January 2048 (note 10(d))	2,200,951	-
Loan of up to CA$5,000,000, bearing interest at a rate of 5.25%, with a 24-month moratorium on the payment of capital ending on August 27, 2023. The capital on the loan will be reimbursed over a total of 225 monthly instalments. The loan will have been reimbursed in full by May 2048 (note 10(e))	2,200,951	-
Account payable in relation to the building owned by GoliathTech Properties Inc. that will be refinanced through additional disbursements directly to the contractor on the two previously described loans	1,856,468	-
	7,588,180	860,854
Less: Deferred transaction costs	6,575	9,549
	7,581,605	851,305
Less: Current portion	329,319	174,397
	7,252,286	676,908

(expressed in United States dollars, unless otherwise specified

Principal payments required in each of the next six years and thereafter are as follows:

	$
2023	329,318
2024	658,673
2025	736,103
2026	702,692
2027	475,255
2028 and thereafter	2,829,673
	5,731,714

a) As per the loan agreement, an amount of CA$200,700 with respect to the loans from shareholders cannot be reimbursed unless certain financial ratios and reimbursement conditions have been met. As of January 31, 2022, those covenants and conditions have been met.

The loan is secured by a principal mortgage of CA$700,000 and an additional mortgage of CA$140,000 on all assets, tangible and intangible, present and future of the Company and by a suretyship of CA$350,000 given by a shareholder.

GoliathTech Inc. shall grant a first rank mortgage in the amount of CA$240,000 plus an additional 20% hypothec on the equipment and other assets financed by the lender and in connection with the purchase of equipment. In addition, the lender requested and has a personal guarantee from one of the shareholders in the amount of CA$50,000 to ensure that subordinated shareholder advances are not settled.

b) A first-priority security interest in all inventory of the borrower:

- Deed of Movable Hypothec – all present and future obligations in the amount of CA$5,000,000 and constituting a first mortgage on the universality of the present and future tangible and intangible assets of the borrower;
- Guarantee and subordination of receivables in the amount of CA$600,000; and
- Subordination of receivables.

c) First rank mortgage in the amount of CA$7,500,000 on the building owned by GoliathTech Properties Inc. First mortgage on the universality of the present and future rents and revenues generated by the property. Security interest on all present and future additions to the building. First rank mortgage for a principal amount of $595,000 on the present and future universality of the equipment, machinery, tools and vehicles of GoliathTech Properties Inc. together with all rights, appurtenances and intellectual property related to the foregoing. Personal guarantee by a director of the Company for an amount equal to 35% of the outstanding principal balance on the loan. Shareholder loans to GoliathTech Inc. are subordinate to the loan for a period of five years beginning on May 10, 2021. The loan is subject to specific bank covenants, which are met as of year-end.

(expressed in United States dollars, unless otherwise specified

d) First rank mortgage in the amount of CA$7,500,000 on the building owned by GoliathTech Properties Inc. First mortgage on the universality of the present and future rents and revenues generated by the property. Security interest on all present and future additions to the building. First rank mortgage for a principal amount of $595,000 plus 20%, on the present and future universality of the equipment, machinery, tools and vehicles of GoliathTech Properties Inc. together with all rights, appurtenances and intellectual property related to the foregoing. Personal guarantee by a director of the Company for an amount equal to 35% of the outstanding principal balance on the loan. Shareholder loans to GoliathTech Inc. are subordinate to the loan, and no reimbursements are allowed during the moratorium period. After the moratorium period is over loan reimbursements may be allowed subject to compliance with all financial ratios and lender covenants. The loan is subject to specific bank covenants, which are met as of year-end. The Company has guaranteed the full amount of this loan.

11 Obligations under capital leases

	2022 $	2021 $
Equipment lease contract of an original amount of CA$51,104, payable in monthly instalments of CA$1,483 including interest, bearing interest at 12.06%, maturing in April 2022	4,014	16,598
Equipment lease contract of an original amount of CA$20,674, payable in monthly instalments of CA$483 including interest, bearing interest at 6.29%, maturing in May 2022	893	5,220
Equipment lease contract of an original amount of CA$136,179, payable in monthly instalments of CA$1,947 including interest, bearing interest at 5.73%, maturing in May 2023	23,644	39,951
Equipment lease contract of an original amount of CA$37,119, payable in monthly instalments of CA$781 including interest, bearing interest at 5.24%, maturing in January 2024	11,376	17,873
Equipment lease contract, of an original amount of CA$71,695, payable in monthly instalments of CA$2,103 including interest, bearing interest at 3.60%, maturing in June 2023	27,384	45,670
Equipment lease contract, of an original amount of CA$36,913, payable in monthly instalments of CA$1,083 including interest, bearing interest at 3.78%, maturing in September 2023	15,772	25,077
Equipment lease contract, of an original amount of CA$23,000, payable in monthly instalments of CA$530 including interest, bearing interest at 6.00%, maturing in August 2021	-	2,876
Equipment lease contract, of an original amount of CA$10,711, payable in monthly instalments of $395 including interest, bearing interest at 8.02%, maturing in July 2023	5,200	-
Equipment lease contract, of an original amount of CA$22,265, payable in monthly instalments of $538 including interest, bearing interest at 7.49%, maturing in March 2025	14,277	-
Equipment lease contract, of an original amount of CA$1,881,624, payable in monthly instalments of $26,339 including interest, bearing interest at 4.71%, maturing in January 2029	1,464,481	-
Deposit on leased equipment	-	756,158
	1,567,041	909,423
Less: Current portion	249,216	70,658
	1,317,825	838,765

(expressed in United States dollars, unless otherwise specified

Minimum repayments due over the following six years and thereafter are as follows:

	$
2023	318,046
2024	279,583
2025	253,576
2026	249,341
2027	248,498
2028 and thereafter	476,547
	1,825,591
Less: Interest included in minimum payments	258,550
	1,567,041

12 Share capital

Authorized

Class A shares, voting, dividends and participating

Issued and paid

An unlimited number of common shares, without par value

	2022 $	2021 $
159 Class A common shares (2021 – 155)	1,619,267	1,618,953

On November 23, 2020, the Company entered into a share option agreement with an officer of the Company comprising a total of five options to buy a total of five Class A common shares, out of which two options were exercised during the year ended January 31, 2022 (2021 – one option exercised). Each option has a strike price of CA$100 ($79) and the remaining two options vest over the next fiscal year.

On September 14, 2021, the Company entered into a share option agreement with an employee of the Company comprising a total of three options to buy a total of three Class A common shares. Each option has a strike price of CA$100 (US$79) and one option per year will vest over the next three fiscal years.

On September 14, 2021, the Company issued to an employee a total of two class A common shares at a nominal price of $100 per share.

(expressed in United States dollars, unless otherwise specified

13 Income taxes

The Company has income tax losses, which may be used to reduce future years' taxable income. The benefits resulting from these tax losses have not been recognized in the consolidated financial statements. These losses expire as follows:

	CA$
2036	128,522
2037	353,661
2038	741,740
2039	625,795

14 Additional information to the consolidated statement of cash flows

Changes in non-cash operating working capital items

	2022 $	2021 $
Accounts receivable	221,669	(165,517)
Long-term accounts receivable	3,643	(25,719)
Sales taxes receivable	(539,320)	(3,364)
Inventories	(1,460,769)	(780,937)
Deposit and prepaid expenses	46,711	(66,739)
Deferred commissions	28,481	53,590
Accounts payable and accrued liabilities	358,473	354,772
Deferred revenue	(16,448)	(163,321)
	(1,357,560)	(797,235)

Non-cash transactions

During the year ended January 31, 2022, a deposit on property, plant and equipment amounting to $756,948 (2021 – $842,555) was financed entirely by a lender directly with the vendor and did not have an impact on the consolidated statement of cash flows. Also, related to GoliathTech Properties Inc., an amount of $6,300,577 related to the building under construction was financed entirely by the lenders directly with the contractor and did not have an impact on the consolidated statement of cash flows.

(expressed in United States dollars, unless otherwise specified

15 Commitments

As of January 31, 2022, the Company has a commitment of CA$4,401,220 with a lender in relation to the construction of the new manufacturing plant owned by GoliathTech Properties Inc.

16 Financial instruments

Market risk

Market risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market prices. Market risk comprises currency risk, interest rate risk and other price risk. The Company is exposed to certain of these risks, as described below.

a) Currency risk

The Company, whose functional currency is the Canadian dollar, realized approximately 62% of its sales in US dollars (2021 – 66%) and is thus exposed to foreign exchange fluctuations. The Company does not actively manage this risk.

The consolidated balance sheets include the following amounts expressed in Canadian dollars with respect to financial assets and financial liabilities for which cash flows are denominated in the following currencies:

	2022 $	2021 $
US dollar		
Cash	135,812	186,128
Trade accounts receivable	682,767	839,647
Trade accounts payable	57,221	40,297
Euro		
Trade accounts receivable	21,302	23,432

b) Interest rate risk

The bank loan bears interest at a variable rate. The long-term debt bears interest at variable and fixed rates. The loans from shareholders bear interest at a fixed rate. The fixed rate loans subject the Company to a fair value risk, while the variable rate loans subject it to a cash flow risk.

(expressed in United States dollars, unless otherwise specified

Credit risk

The Company provides credit to its customers in the normal course of its operations. It carries out, on a continuing basis, credit checks on its customers and maintains an allowance for doubtful accounts.

Liquidity risk

The Company's objective is to have liquidity sufficient to meet its liabilities when due.

The Company monitors its cash balances and cash flows generated from operations to meet its requirements. As of January 31, 2021, the most significant financial liabilities are the bank loan, accounts payable and accrued liabilities, long-term debt and loans from shareholders.

GoliathTech Inc.

Schedules of Additional Information

For the years ended January 31, 2022 and 2021

(expressed in United States dollars)

Schedule A – Cost of goods sold

	2022 $	2021 $
Inventories – Beginning of year	2,081,460	1,220,556
Purchases	4,680,723	3,496,073
	6,762,183	4,716,629
Inventories – End of year	(3,530,161)	(2,081,460)
	3,232,022	2,635,169
Direct wages and employee benefits	1,352,672	956,900
Equipment costs	100,834	60,513
Subcontracts	48,359	14,120
	1,501,865	1,031,533
Other costs		
Energy	116,719	70,512
Factory rent	278,646	301,162
Professional fees	222,309	212,608
Repairs, maintenance and equipment rental	163,106	53,965
Property taxes	60,776	47,841
Supplies	434,520	442,523
Freight	27,048	19,893
Amortization of property, plant and equipment	270,446	134,555
	1,573,570	1,283,059
	6,307,457	4,949,761

Schedule B – Selling expenses

	2022 $	2021 $
Salaries and wages	395,604	343,021
Advertising and promotion	832,004	473,828
Insurance	24,315	10,879
Selling commissions – Franchises	72,468	88,878
Selling commissions – Product sales	-	17,386
Shipping expenses	332,984	267,265
Travel expenses	118,569	32,422
	1,775,944	1,233,679

(expressed in United States dollars)

Schedule C – General and administrative expenses

	2022 $	2021 $
Salaries and wages	1,073,817	745,365
Bad debts	1,596	32,464
Computer-related expenses	196,019	100,002
Electricity	12,168	7,851
Factory rental	24,217	45,438
Insurance	174,375	109,080
Office expenses	130,052	97,760
Professional fees	448,732	338,605
Property taxes	63,377	48,355
Research and development expenses, net of credit	46,676	101,089
Telecommunications	31,848	23,951
Training and dues	6,552	10,140
Amortization of property, plant and equipment	71,332	65,035
Amortization of intangible assets	111,509	70,861
	2,392,270	1,795,996

Schedule D – Financial expenses

	2022 $	2021 $
Interest on long-term debt	137,052	84,522
Interest on loans from shareholders	131,707	119,147
Other financial expenses	113,399	71,760
	382,158	275,429

Schedule E – Other income (loss)

	2022 $	2021 $
Foreign exchange loss	(15,078)	(143,903)
Interest income	56,996	14,186
Gain on disposal of immovable property	133,722	-
	175,640	(129,717)

(expressed in United States dollars)

Schedule F – Revenue and cost of goods sold

	2022		
	Revenue $	**Cost of goods sold $**	**Gross profit $**
Product sales	9,998,659	6,167,637	3,831,022
Franchise revenue	1,246,080	139,820	1,106,260
	11,244,739	6,307,457	4,937,282

	2021		
	Revenue $	**Cost of goods sold $**	**Gross profit $**
Product sales	7,961,542	4,852,340	3,109,202
Franchise revenue	1,029,169	97,421	931,748
	8,990,711	4,949,761	4,040,950

GoliathTech Inc.

Financial Statements
January 31, 2021
(expressed in United States dollars)

April 28, 2021

Report of Independent Auditors

To the Shareholders of
GoliathTech Inc.

We have audited the accompanying financial statements of GoliathTech Inc., which comprise the balance sheet as of January 31, 2021, and the related statements of shareholder's deficiency, income and comprehensive income and cash flows for the year then ended.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the 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 Company's preparation and fair presentation of the 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 Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l.
1250 René-Lévesque Boulevard West, Suite 2500, Montréal, Quebec, Canada H3B 4Y1
T: +1 514 205 5000, F: +1 514 876 1502

"PwC" refers to PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l., an Ontario limited liability partnership.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of GoliathTech Inc. as of January 31, 2021, and the results of its operation and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter
The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in note 2 to the financial statements, the Company has a cumulative deficit that raises substantial doubt about its ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding this matter is also described in note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Other Matter
The financial statements of GoliathTech Inc. for the year ended January 31, 2020, were audited by other auditors, whose report, dated April 24, 2020 and July 29, 2020 expressed an unmodified opinion on those financial statements and included a paragraph regarding the correction of an error in the January 31, 2020 financial statements as a result of a change in recognition of initial franchise fee revenue recognition and the resulting deferred commission accounting and also a paragraph regarding substantial doubt about the Company's ability to continue as a going concern.

PricewaterhouseCoopers LLP[1]

[1] CPA auditor, CA, public accountancy permit No. A116819

GoliathTech Inc.

Balance Sheet

As of January 31, 2021

(expressed in United States dollars)

	2021 $	2020 $
Assets		
Current assets		
Cash	162,752	86,446
Accounts receivable (note 4)	1,275,660	1,081,424
Other receivables	-	1,281
Sales taxes receivable	61,315	59,141
Inventories (note 5)	2,081,460	1,220,558
Deposit and prepaid expenses	141,775	52,492
Deferred commissions	63,428	97,634
	3,786,390	2,598,976
Deferred commissions	59,283	78,667
Due from shareholders, non-interest bearing and without specified repayment terms	-	2,164
Long-term accounts receivable, bearing interest between 0.00% and 9.60% and without repayment terms	78,406	78,875
Deposit on equipment	774,730	-
Property, plant and equipment (note 6)	1,212,047	830,267
Intangible assets (note 7)	766,242	681,201
	6,677,098	4,270,150

GoliathTech Inc.

Balance Sheet . . . *continued*

As of January 31, 2021

(expressed in United States dollars)

	2021 $	2020 $
Liabilities		
Current liabilities		
Bank loan (note 8)	989,828	377,850
Accounts payable and accrued liabilities (note 9)	864,057	463,452
Deferred revenue US GAAP	435,370	440,682
Deferred revenue	17,915	-
Current portion of long-term debt (note 10)	174,397	163,648
Current renewable portion of long-term debt (note 10)	-	149,785
Current portion of obligations under capital leases (note 11)	70,658	32,783
	2,552,225	1,628,200
Deferred revenue US GAAP	1,015,660	1,178,227
Long-term debt (note 10)	676,908	426,774
Obligations under capital leases (note 11)	838,765	79,864
Loans from shareholders, bearing interest between 3.83% and 4.95%, payable in monthly instalments of interest and without specified repayment terms	3,371,111	3,255,767
	8,454,669	6,568,832
Shareholders' Deficiency		
Share capital (note 12)	1,618,953	1,618,875
Deficit	(3,606,792)	(4,212,921)
Accumulated other comprehensive income	210,268	295,364
	(1,777,571)	(2,298,682)
	6,677,098	4,270,150

Going concern (note 2)

Commitments (note 15)

Approved by the Board of Directors

_____ Director _____

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

GoliathTech Inc.

Statement of Shareholders' Deficiency

For the year ended January 31, 2021

(expressed in United States dollars)

	Share capital $	Deficit $	Accumulated other comprehensive income $	Total shareholders' deficiency $
Balance as of February 1, 2019	854,273	(5,129,444)	273,887	(4,001,284)
Net income for the year	-	916,523	-	916,523
Other comprehensive income	-	-	21,477	21,477
Common share issuance	764,602	-	-	764,602
Balance as of January 31, 2020	1,618,875	(4,212,921)	295,364	(2,298,682)
Net income for the year	-	606,129	-	606,129
Other comprehensive income	-	-	(85,096)	(85,096)
Common share issuance	78	-	-	78
Balance as of January 31, 2021	1,618,953	(3,606,792)	210,268	(1,777,571)

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

GoliathTech Inc.

Statement of Income and Comprehensive Income

For the year ended January 31, 2021

(expressed in United States dollars)

	2021 $	2020 $
Revenue		
Product sales (Schedule F)	7,961,542	6,380,980
Franchise revenue (Schedule F)	1,029,169	1,011,281
	8,990,711	7,392,261
Cost of goods sold (Schedules A and F)	4,949,761	3,507,901
Gross profit	4,040,950	3,884,360
Operating expenses		
Selling expenses (Schedule B)	1,233,679	1,339,408
General and administrative expenses (Schedule C)	1,795,996	1,327,931
Financial expenses (Schedule D)	275,429	335,816
	3,305,104	3,003,155
Operating income	735,846	881,205
Other income (loss) (Schedule E)	(129,718)	35,318
Net income for the year	606,129	916,523
Other comprehensive income (loss)		
Foreign currency translation adjustment	(85,096)	21,477
Comprehensive income	521,033	938,000

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

GoliathTech Inc.

Statement of Cash Flows

For the year ended January 31, 2021

(expressed in United States dollars)

	2021 $	2020 $
Cash flows from		
Operating activities		
Net income for the year	606,129	916,523
Change in accounting policy	-	(2,173,814)
Items not affecting cash		
Amortization of property, plant and equipment	199,590	153,954
Finance expense	275,429	335,815
Allowance and provision	32,465	35,757
Amortization of intangible assets	70,861	71,591
Amortization of deferred transaction costs	8,582	26,388
	1,193,056	(633,786)
Changes in non-cash operating working capital items (note 14)	(797,235)	687,212
	395,821	53,426
Investing activities		
Decrease in long-term accounts receivable	11,628	148,362
Acquisition of property, plant and equipment	(489,587)	(79,920)
Acquisition of intangible assets	(129,033)	(150,170)
Increase in long-term receivable	-	(204)
Decrease in due from shareholders	2,140	2,991
	(604,852)	(78,941)
Financing activities		
Increase (decrease) in bank loan	571,706	(641,580)
Transaction costs	(2,442)	(28,190)
Interest paid	(267,845)	(335,815)
Repayment of obligations under capital leases	(54,777)	(31,164)
Repayment of long-term debt	(365,101)	(105,918)
Increase in loans from shareholders	-	477,034
Increase in long-term debt	455,870	-
Issuance of share capital	78	763,692
	337,489	98,059
Effect of exchange rate changes on cash	(52,152)	9,088
Net change in cash during the year	76,306	81,632
Cash – Beginning of year	86,446	4,814
Cash – End of year	162,752	86,446
Additional information (note 14)		

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

(expressed in United States dollars)

1 Description of the business

GoliathTech Inc. (the Company), incorporated under the Canada Business Corporations Act, is a manufacturer of helical screw piles. It operates its business through franchisees in different geographic locations.

2 Going concern

These financial statements have been prepared using accounting principles generally accepted in the United States of America applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least but not limited to, twelve months from the date of issuance of these financial statements. For the year ended January 31, 2021, the Company had net income of $606,129 (2020 – net income of $916,523), positive working capital of $1,234,166 (2020 – positive working capital of $970,776) and an accumulated deficit of $3,606,792 (2020 – accumulated deficit of $4,212,921). The Company's ability to continue its steady growth and further develop its commercial operations is dependent on the continued financial support of its lenders and shareholders, obtaining a satisfactory sales level, acquiring appropriate long-term assets to support its future growth in operations and its ability to generate sufficient cash from operations in the future. As such, the realization of assets and discharge of liabilities in the ordinary course of business are subject to material uncertainty.

The Company's ability to continue as a going concern is dependent on its ability to continue to grow its operations and obtain new sources of financing in case if required for future capital expenditures. Until such time, there is substantial doubt as to the ability of the Company to meet its obligations as they become due, and accordingly as to the appropriateness of the use of accounting principles applicable to a going concern. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities, and the reported expenses and balance sheet classifications that would be necessary should the Company be unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

3 Significant accounting policies

Basis of preparation

The financial statements have been prepared in accordance with the accounting principles generally accepted in the United States of America (US GAAP) and reflect the following significant accounting policies.

(expressed in United States dollars)

Reporting currency

The financial statements have been translated from their functional currency, the Canadian dollar, into the reporting currency, the US dollar, using the current rate method. Under this method, as of January 31, 2021, the Company's assets and liabilities have been translated at the rate of US$1.0000 = CA$1.2780 (2020 – US$1.0000 = CA$1.3233) and, for the year ended January 31, 2021, the statements of income and comprehensive income and cash flows have been translated at the average rate for the year of US$1.0000 = CA$1.3382 (2020 – US$1.0000 = CA$1.3250).

Exchange gains and losses arising from this translation are included in the statement of comprehensive income as foreign currency translation adjustment.

Cash

Cash comprises current bank accounts.

Government assistance

Government assistance is recorded in the financial statements when there is reasonable assurance that the Company has complied with, and will continue to comply with, all conditions necessary to obtain the assistance.

The Company incurs research and development expenditures, which are eligible for investment tax credits. The recorded investment tax credits are based on management's estimates of amounts expected to be recovered and are subject to audit by taxation authorities.

Government assistance, including investment tax credits for research and development, is reflected as a reduction in the cost of the assets or expenses to which it relates.

Inventories

Raw materials, work in progress and finished goods are valued at the lower of cost or net realizable value. Cost is determined on the first-in, first-out basis. The cost of work in progress and finished goods includes the cost of raw materials and the applicable share of the cost of labour and fixed and variable production overheads. Net realizable value is the estimated selling price less the estimated cost of completion and the estimated costs necessary to make the sale. Any writedown of inventory to its net realizable value is recognized as an expense in the period. When the net realizable value subsequently increases, the previously recognized impairment loss is reversed and recognized as a reduction in the amount of inventories expensed to cost of sales in the period the reversal occurs

(expressed in United States dollars)

Fair value measurements

The Company applies Accounting Standards Codification 820, Fair Value Measurements and Disclosures, which defines fair value and establishes a framework for measuring fair value and making disclosures about fair value measurements. ASC 820 establishes a hierarchical disclosure framework which prioritizes and ranks the level of market price observability used in measuring financial instruments at fair value. Market price observability is impacted by a number of factors, including the type of financial instruments and the characteristics specific to them. Financial instruments with readily available quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Financial instruments measured and reported at fair value are classified and disclosed in one of the following categories:

- Level I – A quoted price in an active market provides the most reliable evidence of fair value and is used to measure fair value whenever available.
- Level II – Pricing inputs are other than quoted market prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.
- Level III – Pricing inputs are unobservable inputs for the financial instruments and include situations where there is little, if any, market activity for them. The inputs into the determination of fair value require significant management judgment or estimation.

Fair value of financial instruments

The carrying amounts of cash, bank loan, accounts receivable, accounts payable and accrued liabilities and current portion of long-term debt are a reasonable estimate of their fair values because of their short-term maturity.

Transaction costs are added to the carrying value of the asset or netted against the carrying value of the liability and are then amortized over the expected life of the instrument using the straight line method which approximates the effective interest method.

The carrying value of long-term debt excluding reduction for deferred transaction costs approximates fair value as the terms and conditions are comparable to those that the Company could get on the market. As for the loans from shareholders, since the repayment terms are not fixed or determined, the fair value of the loans cannot be determined.

(expressed in United States dollars)

Property, plant and equipment

Property, plant and equipment are recorded at cost. Amortization is calculated based on the following methods, rates and period:

	Method	Rate/Period
Computer equipment	Diminishing balance	30%
Leasehold improvements	Straight-line	10 years
Office furniture	Diminishing balance	20%
Plant equipment	Diminishing balance	15%
Plant furniture	Diminishing balance	20%
Plant tools	Diminishing balance	20%
Production equipment	Diminishing balance	20%
Rolling stock	Diminishing balance	30%
Signs	Diminishing balance	20%

Intangible assets

Intangible assets are recorded at cost. Amortization is calculated based on the following methods, rates and period:

	Method	Rate/Period
Certification	Straight-line	20 years
Patents	Straight-line	20 years
Software	Diminishing balance	30%
Trademark	Straight-line	10 years

Long-lived assets such as property, plant and equipment and intangible assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when their carrying value exceeds the total undiscounted cash flows expected from the use and eventual disposition of the item. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value at the date of impairment.

Income taxes

The Company accounts for its income taxes using the asset and liability method, whereby deferred tax assets and liabilities are determined based on temporary differences between the bases used for financial reporting and income tax reporting purposes. Deferred income taxes are provided based on the enacted tax rates in effect at the time such temporary differences are expected to reverse. A valuation allowance is provided for deferred tax assets if it is more likely than not that the Company will not realize those tax assets through future operations.

(expressed in United States dollars)

The Company recognizes the tax benefit from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examination by the tax authorities, based on the technical merits of the position. The tax benefit is measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement.

The Company recognizes interest and penalties related to income tax matters in income tax expense.

Foreign currency translation

Transactions concluded in currencies other than the functional currency are translated at the exchange rates in effect at the end of the year for monetary assets and liabilities, at historical rates for non-monetary items, and revenues and expenses are translated at the average rate for the year. Exchange gains and losses arising from such transactions have been included in the statement of income and comprehensive income.

Revenue recognition

a) Initial franchise fees

Initial franchise fees relates to the sale of an individual franchise or an area franchise. Revenue is recognized based on the various performance obligations. Performance obligations exist when:

- A contract includes promises to transfer goods or services to a customer;
- If those goods or services are distinct, the promises are performance obligations and are accounted for separately;
- Goods or a service is distinct if the customer can benefit from the good or service on its own or together with other resources that are readily available to the customer and the Company's promise to transfer the good or the service to the customer is separately identifiable from other promises in the contract; and
- Promises to provide services might be implied by the Company's customary business practice if those practices create a reasonable expectation to the customer that the entity will transfer a service.

The performance obligations include the equipment that a franchisee needs to start their operation, the right to perform work under the name of the franchise, minimum purchase requirements, a material right for renewal of contract and a material right for the purchase of additional territories. An allocation of the transaction price to the performance obligations in the contract is performed whereby the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the entity expects to be entitled in exchange for transferring the promised services. The transaction price allocated to performance obligations is estimated using the residual approach.

(expressed in United States dollars)

The Company recognizes revenue when it has satisfied the performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

The different performance obligations are accounted for as follows:

Initial franchise fee	Over the term of the contract
Equipment	When transferred to the franchisee
Minimum purchase requirement	When transferred to the franchisee
Material right for renewal	Deferred until the renewal is exercised or not
Material right for additional territory	Deferred until the additional territory is bought

There are 179 franchises and territories in operation as of January 31, 2021 (2020 – 195).

b) Product sales

The Company recognizes revenue when it has satisfied the performance obligation by transferring the promised good (i.e. an asset) to a customer. An asset is transferred when the customer obtains control of that asset.

Deferred revenue

Deferred revenue consists of unfulfilled obligations due to franchisees and payments received from the franchisees for the purchase of goods not delivered as of year-end.

Use of estimates

The preparation of the financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management reviews its estimates on an ongoing basis, particularly as they relate to accounting for useful lives of property, plant and equipment, impairment of long-lived assets, valuation of intangible assets and the cost and net realizable value of inventories, based on management's best knowledge of current events and actions that the Company may undertake in the future. Actual results could differ from those estimates.

(expressed in United States dollars)

New accounting pronouncement applied in the current year

Future accounting pronouncements not yet in application

a) Leases with terms of more than 12 months

In February 2016, the FASB issued Accounting Standards Update No. 2016-02, (ASU 2016-02) *Leases (Topic 842)*. ASU 2016-02 requires a lessee to recognize a liability for its lease obligation and an asset for its right to use the underlying asset under lease for leases with terms of more than 12 months. In addition, ASU 2016-02 eliminates certain prescriptive requirements for lease classification, and aligns certain of the underlying principles of the lessor revenue recognition model with ASU 2014-09. ASU 2016-02 requires entities to recognize and measure leases under the new guidance at the beginning of the earliest period presented using a modified retrospective approach. In July 2018, the FASB issued ASU 2018-11, *Leases (Topic 842): Targeted Improvements*, which allows for an additional and optional transition method under which an entity would record a cumulative-effect adjustment at the beginning of the period of the adoption.

ASU 2016-02 and ASU 2018-11 are effective for the Company for the fiscal year ending January 31, 2023, with early adoption permitted. The Company is currently evaluating the impact of adopting ASU 2016-02 and ASU 2018-11.

b) Measurement of credit losses on financial instruments

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, and in November 2018 issued a subsequent amendment, Accounting Standards Update, 2018-19 (ASU 2018-19), *Codification Improvements to Topic 326, Financial Instruments – Credit Losses*. For instruments measured at amortized cost, ASU 2016-13 replaces the current incurred loss approach to estimating credit losses with an expected loss approach and updates the related disclosure requirements. ASU 2016-13 and 2018-19 are effective for the Company for the year ending January 31, 2024, with early adoption permitted. The Company has not yet determined the impact of the application of this new standard.

(expressed in United States dollars)

COVID-19 considerations

In early 2020, the coronavirus (COVID-19) was confirmed in multiple countries throughout the world, and, on March 11, 2020, the World Health Organization declared a global pandemic. In response to the pandemic, governments enacted emergency measures to combat the spread of COVID-19, including the implementation of travel bans, quarantine periods and social distancing. As a result of the continued and uncertain economic and business impact of the pandemic, the Company has reviewed the estimates, judgments and assumptions used in the preparation of its financial statements. Although the Company has determined that no significant revisions to such estimates, judgments or assumptions were required for fiscal year 2021, revisions may be required in future periods. Any such revision (due to COVID-19 or otherwise) could have a material impact on the Company's results of operations and financial condition. Although the Company believes the current conditions related to the pandemic to be temporary based on the information available as of the date hereof, the situation is dynamic and it is not possible to predict the duration and severity of the economic disruption, government restrictions and stimulus, social distancing and phased re-opening of economies. The broader impact that the COVID-19 outbreak may have on investors, businesses, the economy and the financial markets is currently unknown as it continues to rapidly evolve. As a result, the impact of COVID-19 on the Company's results of operations and financial condition cannot be reasonably estimated at this time. The Company continues to evaluate the situation and monitor any impacts or potential impacts to its business.

4 Accounts receivable

	2021 $	2020 $
Trade accounts receivable	1,113,804	1,016,821
Allowance for doubtful accounts	(14,085)	(54,894)
Other receivables	48,609	-
Government assistance receivable	127,332	119,497
	1,275,660	1,081,424

5 Inventories

	2021 $	2020 $
Raw materials	201,869	159,022
Work in progress	540,051	283,806
Finished goods	1,339,540	777,730
	2,081,460	1,220,558

(expressed in United States dollars)

6 Property, plant and equipment

			2021	2020
	Cost $	Accumulated amortization $	Net $	Net $
Computer equipment	92,525	55,077	37,448	32,508
Leasehold improvements	262,261	103,883	158,379	151,540
Office furniture	69,098	45,107	23,991	25,048
Plant equipment	965,386	328,806	636,580	315,390
Plant furniture	228,636	77,683	150,953	74,457
Plant tools	153,173	112,202	40,971	42,936
Production equipment	49,779	25,664	24,115	29,112
Rolling stock	93,862	32,092	61,770	45,371
Signs	4,926	2,854	2,073	2,483
	1,919,646	783,366	1,135,280	718,845
Assets under capital leases				
Plant equipment	153,305	112,202	41,103	74,090
Leasehold improvements	39,987	5,323	34,664	37,332
	193,292	117,525	75,767	111,422
	2,111,938	900,891	1,212,047	830,267

Accumulated amortization of property, plant and equipment as of January 31, 2021 was $659,539.

7 Intangible assets

			2021	2020
	Cost $	Accumulated amortization $	Net $	Net $
Certification	365,148	49,951	315,197	288,286
Patents	394,567	54,007	340,560	260,509
Software	258,749	184,535	74,214	88,108
Trademark	103,961	67,690	36,271	44,298
	1,122,425	356,183	766,242	681,201

Accumulated amortization of intangible assets as of January 31, 2021 was $272,337.

(expressed in United States dollars)

Amortization expense remaining relating to intangible assets for each of the fiscal years 2022 through 2025 is as follows:

2022	70,916
2023	70,916
2024	70,916
2025	70,916
	283,664

8 Bank loan

The Company has an authorized line of credit of CA$1,800,000 ($1,408,451) (2020 – CA$1,350,000 ($1,020,195)), bearing interest at prime rate plus 0.50% (as at January 31, 2021 – 2.95%) (2020 – at prime rate plus 2.85%; 6.80% as at January 31, 2020), of which CA$535,000 ($418,623) (2020 – CA$850,000 ($642,345)) remained unused at year-end.

The Company also has an authorized derivative financial instrument global line of credit of CA$300,000 ($234,742) (2020 – CA$300,000 ($226,710)), of which CA$300,000 ($234,742) (2020 – CA$300,000 ($226,710)) remained unused at year-end.

The two lines of credit are secured by a first rank mortgage of CA$5,000,000 ($3,912,363) over all assets, tangible and intangible, present and future, of the Company, and by a suretyship of CA$600,000 ($469,484) given by a shareholder.

Under the terms of the lines of credit and risk, the Company must meet certain financial and non-financial covenants. As of January 31, 2021, all such covenants were met.

9 Accounts payable and accrued liabilities

	2021 $	2020 $
Trade accounts payable	567,135	324,535
Accrued liabilities	42,188	9,479
Government remittances payable	2,417	1,339
Wages payable	252,317	128,039
	864,057	463,452

(expressed in United States dollars)

10 Long-term debt

	2021 $	2020 $
Loan of CA$19,905, bearing interest at 5.55%, payable in monthly instalments of principal and interest of CA$292, maturing in July 2023	6,387	8,411
Loan of CA$700,000, bearing interest at 6.20% (10.00% until July 23, 2020), payable in monthly instalments of principal of CA$7,295, maturing in June 2026[1]	439,276	451,810
Loan of CA $240,000, bearing no interest with a 12-month moratorium on capital portion, payable in monthly principal instalments of CA$5,000 beginning in June 2021, maturing in June 2025[2]	171,202	-
Loan of CA$370,000, bearing interest at prime rate plus 3.39%, payable in 48 monthly instalments, maturing in May 2024[3]	243,989	-
Loan of CA$85,964, bearing interest at prime rate plus 2.25%, reimbursed in full in 2021	-	46,557
Loan of CA$150,000, bearing interest at 9.00%, reimbursed in full in 2021	-	59,211
Loan of CA$384,482, bearing interest at prime rate plus 2.25%, reimbursed in full in 2021	-	174,332
Loan of CA$32,194, bearing interest at 4.74%, reimbursed in full in 2021	-	15,319
	860,854	755,640
Less: Deferred transaction costs	(9,549)	(15,433)
	851,305	740,207
Less: Current portion	174,397	163,648
Current renewable portion	-	149,785
	676,908	426,774

(expressed in United States dollars)

Principal payments required in each of the next five years are as follows:

	$
2022	174,397
2023	190,773
2024	192,037
2025	141,100
2026	162,547
	860,854

(1) As per the loan agreement, an amount of CA$200,700 with respect to the loans from shareholders cannot be reimbursed unless certain financial ratios and reimbursement conditions have been met. As at January 31, 2021, those covenants and conditions have been met.

The loan is secured by a principal mortgage of CA$700,000 and an additional mortgage of CA$140,000 on all assets, tangible and intangible, present and future of the Company and by a suretyship of CA$350,000 given by a shareholder.

(2) GoliathTech Inc. shall grant a first rank mortgage in the amount of CA$240,000 plus an additional 20% hypothec on the equipment and other assets financed by the lender and in connection with the purchase of equipment. In addition, the lender requested and has a personal guarantee from one of the shareholders in the amount of CA$50,000 to ensure that subordinated shareholder advances are not settled.

(3) A first priority security interest in all inventory of the borrower;
- Deed of Movable Hypothec – all present and future obligations in the amount of CA$5,000,000 and constituting a first mortgage on the universality of the present and future tangible and intangible assets of the borrower;
- Guarantee and subordination of receivables in the amount of CA$600,000; and
- Subordination of receivables.

(expressed in United States dollars)

11 Obligations under capital leases

	2021 $	2020 $
Equipment lease contract of an original amount of CA$51,104, payable in monthly instalments of CA$1,483 including interest, bearing interest at 12.06%, maturing in April 2022	16,598	26,843
Equipment lease contract of an original amount of CA$20,674, payable in monthly instalments of CA$483 including interest, bearing interest at 6.29%, maturing in May 2022	5,220	8,866
Equipment lease contract of an original amount of CA$136,179, payable in monthly instalments of CA$1,947 including interest, bearing interest at 5.73%, maturing in May 2023	39,951	53,672
Equipment lease contract of an original amount of CA$37,119, payable in monthly instalments of CA$781 including interest, bearing interest at 5.24%, maturing in January 2024	17,873	23,266
Equipment lease contract, of an original amount of CA$71,695, payable in monthly instalments of CA$2,103 including interest, bearing interest at 3.60%, maturing in June 2023	45,670	-
Equipment lease contract, of an original amount of CA$36,913, payable in monthly instalments of CA$1,083 including interest, bearing interest at 3.78%, maturing in September 2023	25,077	-
Equipment lease contract, of an original amount of CA$23,000, payable in monthly instalments of CA$530 including interest, bearing interest at 6.00%, maturing in August 2021	2,876	-
Deposit on leased equipment	756,158	-
	909,423	112,647
Less: Current portion	70,658	32,783
	838,765	79,864

Minimum repayments due over the following three years are the following:

	$
2022	76,918
2023	60,509
2024	25,157
	162,584
Less: Interest included in minimum payments	9,319
	153,265

(expressed in United States dollars)

12 Share capital

Authorized
Class A shares, voting, dividends and participating

Issued and paid
An unlimited number of common shares, without par value

	2021 $	2020 $
155 Class A common shares (2019 – 154)	1,618,953	1,618,875

On November 23, 2020, the Company entered into a share option agreement with an officer of the Company comprising a total of 5 options to buy a total of 5 Class A common shares out of which an option has been exercised during the year ended January 31, 2021. Each option has a strike price of CA$100 (US$78) and the remaining 4 options vest over the next two fiscal years.

During the year ended January 31, 2020, the Company issued 11 common shares for a cash consideration of CA$1,011,780 ($764,602).

13 Income taxes

The Company has income tax losses, which may be used to reduce future years' taxable income. The benefits resulting from these tax losses have not been recognized in the financial statements. These losses expire as follows:

	CA$
2035	394,569
2036	296,503
2037	353,661
2038	741,740
2039	625,795

(expressed in United States dollars)

14 Additional information to the statement of cash flows

Changes in non-cash operating working capital items

	2021 $	2020 $
Accounts receivable	(165,517)	(14,819)
Long-term receivable	(25,719)	(1,279)
Sales taxes receivable	(3,364)	(9,178)
Inventories	(780,937)	94,061
Deposit and prepaid expenses	(66,739)	67,601
Deferred commissions	53,590	(176,301)
Accounts payable and accrued liabilities	354,772	(851,025)
Deferred revenue	(163,321)	1,578,152
	(797,235)	687,212

Non-cash transactions

During the year ended January 31, 2021, a deposit was made on property, plant and equipment of $842,555 (2020 – $28,051) and was financed entirely by a lender directly with the vendor and did not have an impact on the statement of cash flows.

15 Commitments

As at January 31, 2021, the Company has a commitment of $1,800,000 with a lender in relation to lease financing.

(expressed in United States dollars)

16 Financial instruments

Market risk

Market risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market prices. Market risk comprises currency risk, interest rate risk and other price risk. The Company is exposed to certain of these risks, as described below.

a) Currency risk

The Company, whose functional currency is the Canadian dollar, realized approximately 66% of its sales in US dollars (2020 – 68%) and is thus exposed to foreign exchange fluctuations. The Company does not actively manage this risk.

The balance sheet includes the following amounts expressed in Canadian dollars with respect to financial assets and financial liabilities for which cash flows are denominated in the following currencies:

	2021 $	2020 $
US dollar		
Cash	186,128	90,856
Trade accounts receivable	839,647	892,224
Trade accounts payable	40,297	43,889
Euro		
Trade accounts receivable	23,432	21,221

b) Interest rate risk

The bank loan bears interest at a variable rate. The long-term debt bears interest at variable and fixed rates. The loans from shareholders bear interest at a fixed rate. The fixed-rate loans subject the Company to a fair value risk, while the variable-rate loans subject it to a cash flow risk.

(expressed in United States dollars)

Credit risk

The Company provides credit to its customers in the normal course of its operations. It carries out, on a continuing basis, credit checks on its customers and maintains an allowance for doubtful accounts.

Liquidity risk

The Company's objective is to have liquidity sufficient to meet its liabilities when due.

The Company monitors its cash balances and cash flows generated from operations to meet its requirements. As at January 31, 2021, the most significant financial liabilities are the bank loan, accounts payable and accrued liabilities, long-term debt and loans from shareholders.

(expressed in United States dollars)

Schedule A – Cost of goods sold

	2021 $	2020 $
Inventories – Beginning of year	1,220,556	1,323,602
Purchases	3,496,073	2,033,213
	4,716,629	3,356,815
Inventories – End of year	(2,081,460)	(1,220,556)
	2,635,169	2,136,259
Direct wages and employee benefits	956,900	564,522
Equipment costs	60,513	64,729
Subcontracts	14,120	12,780
	1,031,533	642,031
Other costs		
Energy	70,512	73,730
Factory rent	301,162	193,308
Professional fees	212,608	76,080
Repairs, maintenance and equipment rental	53,965	20,019
Property taxes	47,841	54,853
Supplies	442,523	199,150
Freight	19,893	8,234
Amortization of property, plant and equipment	134,555	104,237
	1,283,059	729,611
	4,949,761	3,507,901

Schedule B – Selling expenses

	2021 $	2020 $
Salaries and wages	343,021	403,615
Advertising and promotion	473,828	386,194
Insurance	10,879	13,523
Selling commissions – Franchises	88,878	133,936
Selling commissions – Product sales	17,386	60,969
Shipping expenses	267,265	218,074
Travel expenses	32,422	123,097
	1,233,679	1,339,408

(expressed in United States dollars)

Schedule C – General and administrative expenses

	2021 $	2020 $
Salaries and wages	745,365	499,543
Bad debts	32,464	35,755
Computer-related expenses	100,002	61,907
Electricity	7,851	12,342
Factory rental	45,438	26,725
Insurance	109,080	71,130
Office expenses	97,760	48,641
Professional fees	338,605	221,595
Property taxes	48,355	45,495
Research and development expenses, net of credit	101,089	154,598
Telecommunications	23,951	23,087
Training and dues	10,140	5,807
Amortization of property, plant and equipment	65,035	49,715
Amortization of intangible assets	70,861	71,591
	1,795,996	1,327,931

Schedule D – Financial expenses

	2021 $	2020 $
Interest on long-term debt	84,522	130,181
Interest on loan from shareholders	119,147	115,693
Other financial expenses	71,760	89,942
	275,429	335,816

Schedule E – Other income (loss)

	2021 $	2020 $
Foreign exchange loss	(143,904)	(2,473)
Interest income	14,186	37,791
	(129,718)	35,318

(expressed in United States dollars)

Schedule F – Revenue and cost of goods sold

	2021		
	Revenue $	Cost $	Gross profit $
Product sales	7,961,542	4,852,340	3,109,202
Franchise revenue	1,029,169	97,421	931,748
	8,990,711	4,949,761	4,040,950

	2020		
	Revenue $	Cost $	Gross profit $
Product sales	6,380,980	3,400,709	2,980,271
Franchise revenue	1,011,281	107,192	904,089
	7,392,261	3,507,901	3,884,360

Non-consolidated financial statements of

GoliathTech Inc.

January 31, 2020
(Expressed in U.S. dollars)

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Independent Auditor's Report

To the Shareholders of
GoliathTech Inc.

We have audited the accompanying non-consolidated financial statements of GoliathTech Inc. (the "Company"), which comprise the non-consolidated balance sheet as of January 31, 2020, and the related non-consolidated statements of income (loss) and comprehensive income (loss), shareholders' deficiency and cash flows for the year then ended, and the related notes to the non-consolidated financial statements.

Management's Responsibility for the Non-consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these non-consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of non-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 non-consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the non-consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the non-consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the non-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 Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the non-consolidated financial statements.

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

Opinion

In our opinion, the non-consolidated financial statements referred to above present fairly, in all material respects, the non-consolidated financial position of GoliathTech Inc. as of January 31, 2020, and the results of its non-consolidated operations and its non-consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter – Restated Non-consolidated Financial Statements

As discussed in Note 3 to the non-consolidated financial statements, the accompanying non-consolidated financial statements for the year ended January 31, 2020 have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Emphasis of Matter Regarding Going Concern

The accompanying non-consolidated financial statements for the year ended January 31, 2020, have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the non-consolidated financial statements, the Company has a cumulative deficit that raises substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2 to the non-consolidated financial statements. The non-consolidated financial statements do not include any ajustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Deloitte LLP[1]

April 24, 2020 (July 29, 2020 as to the effects of the restatement discussed in Note 3)

[1] CPA auditor, CA, public accountancy permit No. A127130

GoliathTech Inc.

Non-consolidated statement of income (loss) and comprehensive income (loss)

Year ended January 31, 2020 (expressed in U.S. dollars)

	Schedules	**2020 $ (as restated) (Note 3)**	2019 $
Revenue			
Product sales	F	**6,380,980**	4,888,450
Franchise revenue	F	**1,011,281**	845,997
		7,392,261	5,734,447
Cost of goods sold	A and F	**3,507,901**	3,673,828
Gross profit		**3,884,360**	2,060,619
Operating expenses			
Selling expenses	B	**1,339,408**	1,015,890
General and administrative expenses	C	**1,327,931**	1,270,619
Financial expenses	D	**335,816**	329,477
		3,003,155	2,615,986
Operating income (loss)		**881,205**	(555,367)
Other revenue	E	**35,318**	65,492
Net income (loss)		**916,523**	(489,875)
Other comprehensive income (loss)			
Foreign currency translation adjustment		**21,477**	183,434
Comprehensive income (loss)		**938,000**	(306,441)

The accompanying notes and supporting schedules are an integral part of the non-consolidated financial statements.

GoliathTech Inc.

Non-consolidated statement of shareholders' deficiency

Year ended January 31, 2020 (expressed in U.S. dollars)

	Capital stock $	Deficit $	Accumulated other comprehensive income $	Total shareholders' deficiency $
Balance, January 31, 2018	854,273	(2,465,755)	90,453	(1,521,029)
Net loss for the year	-	(489,875)	-	(489,875)
Foreign currency translation adjustment	-	-	183,434	183,434
Balance, January 31, 2019	**854,273**	**(2,955,630)**	**273,887**	**(1,827,470)**
Change in accounting policy (Note 4)	**-**	**(2,173,814)**	**-**	**(2,173,814)**
Balance, February 1, 2019 (as restated, Note 3)	**854,273**	**(5,129,444)**	**273,887**	**(4,001,284)**
Net income for the year	**-**	**916,523**	**-**	**916,523**
Foreign currency translation adjustment	**-**	**-**	**21,477**	**21,477**
Common shares issuance	**764,602**	**-**	**-**	**764,602**
Balance, January 31, 2020 (as restated, Note 3)	**1,618,875**	**(4,212,921)**	**295,364**	**(2,298,682)**

The accompanying notes and supporting schedules are an integral part of the non-consolidated financial statements.

GoliathTech Inc.
Non-consolidated balance sheet
As at January 31, 2020 (expressed in U.S. dollars)

	Notes	2020 $ (as restated) (Note 3)	2019 $
Assets			
Current assets			
Cash		**86,446**	4,814
Accounts receivable	5	**1,081,424**	1,073,786
Advance to a subsidiary, without interest and without specified repayment terms		**1,281**	-
Sales taxes receivable		**59,141**	50,290
Inventories	6	**1,220,558**	1,323,602
Deposit and prepaid expenses		**52,492**	120,976
Deferred commissions		**97,634**	-
		2,598,976	2,573,468
Deferred commissions		**78,667**	-
Due from shareholders, without interest and without specified repayment terms		**2,164**	5,193
Long-term accounts receivable, bearing interest between 0.00% and 9.60% and without repayment terms		**78,671**	228,743
Investment in a subsidiary		**204**	-
Property, plant and equipment	7	**830,267**	882,254
Intangible assets	8	**681,201**	606,595
		4,270,150	4,296,253

GoliathTech Inc.
Non-consolidated balance sheet
As at January 31, 2020 (expressed in U.S. dollars)

	Notes	2020 $ (as restated) (Note 3)	2019 $
Liabilities			
Current liabilities			
Bank loan	9	**377,850**	1,027,080
Accounts payable and accrued liabilities	10	**463,452**	1,324,370
Deferred revenue		**440,682**	5,000
Current portion of long-term debt	11	**163,648**	182,090
Current renewable portion of long-term debt	11	**149,785**	186,588
Current portion of obligations under capital leases	12	**32,783**	28,048
		1,628,200	2,753,176
Deferred revenue		**1,178,227**	-
Long-term debt	11	**426,774**	485,102
Obligations under capital leases	12	**79,864**	88,531
Loans from shareholders, bearing interest between 3.83% and 4.95%, payable in monthly instalments of interest, without specified repayment terms		**3,255,767**	2,796,914
		6,568,832	6,123,723
Commitments	16		
Shareholders' deficiency			
Share capital	13	**1,618,875**	854,273
Deficit		**(4,212,921)**	(2,955,630)
Accumulated other comprehensive income		**295,364**	273,887
		(2,298,682)	(1,827,470)
		4,270,150	4,296,253

The accompanying notes and supporting schedules are an integral part of the non-consolidated financial statements.

Approved by the Board

_____, Director

_____, Director

GoliathTech Inc.

Non-consolidated statement of cash flows

Year ended January 31, 2020 (expressed in U.S. dollars)

	Notes	2020 $ (as restated) (Note 3)	2019 $
Operating activities			
Net income (loss)		**916,523**	(489,875)
Change in accounting policy		**(2,173,814)**	-
Items not affecting cash:			
Amortization of property, plant and equipment		**153,954**	150,497
Amortization of intangible assets		**71,591**	65,258
Amortization of deferred transaction costs		**26,388**	1,730
		(1,005,358)	(272,390)
Changes in non-cash operating working capital items	15	**722,969**	131,711
		(282,389)	(140,679)
Investing activities			
Decrease (increase) in long-term accounts receivable		**148,362**	(47,679)
Acquisition of property, plant and equipment		**(79,920)**	(200,801)
Acquisition of intangible assets		**(150,170)**	(140,009)
Investment in a subsidiary		**(204)**	-
Decrease (increase) in due from shareholders		**2,991**	(5,236)
		(78,941)	(393,725)
Financial activities			
(Decrease) increase in bank loan		**(641,580)**	322,198
Transaction costs		**(28,190)**	-
Decrease in due from shareholders		**-**	(120,722)
Repayment of obligations under capital leases		**(31,164)**	(20,664)
Repayment of long-term debt		**(105,918)**	(161,796)
Increase in loans from shareholders		**477,034**	364,836
Increase in long-term debt		**-**	90,644
Issuance of share capital		**763,692**	-
		433,874	474,496
Effect of exchange rate changes on cash and cash equivalents		**9,088**	82,501
Net increase in cash and cash equivalents		**81,632**	22,593
Cash and cash equivalents, beginning of year		**4,814**	(17,779)
Cash and cash equivalents, end of year		**86,446**	4,814

See additional information presented in Note 15.

The accompanying notes and supporting schedules are an integral part of the non-consolidated financial statements.

1. Description of the business

GoliathTech Inc. (the "Company"), incorporated under the *Canada Business Corporations Act*, is a manufacturer of helical screw piles. It operates its business through franchisees in different geographic locations.

2. Going concern

The Company started its commercial operations in 2013 and has been growing significantly in the past seven years. Up until January 31, 2019, the Company had incurred recurring losses from its activities. As of January 31, 2020, and for the year then ended, the Company had a net income of $916,523 (net loss of $489,875 for the year ended January 31, 2019), positive working capital of $970,776 (negative $179,708 as of January 31, 2019), and an accumulated deficit of $4,212,921 ($5,129,444 as of February 1, 2019). The Company's ability to continue its development and commercial operations is dependent on the continued financial support of its creditors and shareholders, obtaining a satisfactory sales level, attaining profitable operations and its ability to generate sufficient cash from operations in the future. These conditons raise substantial doubt regarding the Company's ability to continue as a going concern.

In the event that the Company would not be financially supported by its creditors and shareholders in its expected growth, the Company may be required to raise additional capital or to reimburse some of the long-term debts within the next year, in order to continue the production and commercialization of its products or to sell more franchises. If the Company is unable to raise additional capital or obtain debt when required or on acceptable terms, the Company may have to reduce or delay operating expenses as deemed appropriate in order to conserve cash.

The non-consolidated financial statements as of January 31, 2020, have been prepared under the assumption that the Company will continue as a going concern for the next 12 months. The Company's ability to continue as a going concern is dependent upon its ability to generate additional revenue, obtain additional equity or debt financing or to reduce expenditures. The Company's non-consolidated financial statements as of January 31, 2020, did not include any adjustments that might result from the outcome of this uncertainty.

3. Restatement of the non-consolidated financial statements

Initial franchise fees and additional territory fees were recorded when the contracts were signed but should have been deferred over the term of the agreement and taking into account material rights within the contracts. In addition, the revenues and expenses for the marketing fund were recorded on a net basis but should have been recorded on a gross basis. This restatement results from the application of the FASB issued Accounting Standards Update ASU 2014-09, *Revenue from Contracts with Customers.*

	Before the January 31, 2020 restatement $	Adjustments $	As at January 31, 2020 restated $
Product sales	**6,039,840**	**341,140**	**6,380,980**
Franchise revenue	**240,272**	**771,009**	**1,011,281**
Selling expenses	**951,765**	**387,643**	**1,339,408**
Net income	**192,017**	**724,506**	**916,523**
Deficit	**(2,763,613)**	**(1,449,308)**	**(4,212,921)**
Deposit and prepaid expenses	**59,192**	**(6,700)**	**52,492**
Deferred commissions	**-**	**176,301**	**176,301**
Deferred revenue	**-**	**1,618,909**	**1,618,909**

4. Accounting policies

The non-consolidated financial statements have been prepared in accordance with the accounting principles generally accepted in the United States of America ("US GAAP") and reflect the following significant accounting policies:

Reporting currency

The non-consolidated financial statements have been translated from their functional currency, the Canadian dollar, into the reporting currency, the U.S. dollar, using the current rate method. Under this method, as of January 31, 2020, the Company's non-consolidated assets and liabilities have been translated at the rate of US$1 = CA$1.3233 (US$1 = CA$1.3144 as of January 31, 2019) and, for the year ended January 31, 2020, the non-consolidated statements of income (loss) and comprehensive income (loss) and cash flows have been translated at the average rate for the year of US$1 = CA$1.3250 (2019 – US$1 = CA$1.3035).

Exchange gains and losses arising from this translation are included in the non-consolidated statement of comprehensive income (loss) as foreign currency translation adjustment.

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank overdraft.

Government assistance

Government assistance is recorded in the non-consolidated financial statements when there is reasonable assurance that the Company has complied with, and will continue to comply with, all conditions necessary to obtain the assistance.

The Company incurs research and development expenditures, which are eligible for investment tax credits. The recorded investment tax credits are based on management's estimates of amounts expected to be recovered and are subject to audit by taxation authorities.

Government assistance, including investment tax credits for research and development, is reflected as a reduction in the cost of the assets or expenses to which it relates.

Inventories

Raw materials, work in progress and finished goods are valued at the lower of cost or net realizable value. Cost is determined on the first-in, first-out basis. The cost of work in progress and finished goods includes the cost of raw materials and the applicable share of the cost of labour and fixed and variable production overheads.

Fair value measurements

The Company applies (ASC) ASC20, *Fair Value Measurements and Disclosures*, which defines fair value and establishes a framework for measuring fair value and making disclosures about fair value measurements. (ASC) ASC20 establishes a hierarchical disclosure framework which prioritizes and ranks the level of market price observability used in measuring financial instruments at fair value. Market price observability is impacted by a number of factors, including the type of financial instruments and the characteristics specific to them. Financial instruments with readily available quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

4. Accounting policies (continued)

Fair value measurements (continued)

Financial instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level I – A quoted price in an active market provides the most reliable evidence of fair value and is used to measure fair value whenever available.

Level II – Pricing inputs are other than quoted market prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

Level III – Pricing inputs are unobservable inputs for the financial instruments and include situations where there is little, if any, market activity for them. The inputs into the determination of fair value require significant management judgment or estimation.

Fair value of financial instruments

The carrying amounts of cash, bank loan, accounts receivable, accounts payable and accrued liabilities and current portion of long-term debt are a reasonable estimate of their fair values because of their short-term maturity.

Transaction costs are added to the carrying value of the asset or netted against the carrying value of the liability and are then amortized over the expected life of the instrument using the straight line method which approximates the effective interest method.

The carrying value of long-term debt excluding reduction for deferred transaction costs approximates fair value as the terms and conditions are comparable to those that the Company could get on the market. As for the loans from shareholders, since the repayment terms are not fixed or determined, the fair value of the loans cannot be determined.

Investment in a subsidiary

The Company accounts for its investment in a non-consolidated subsidiary using the cost method. Under the cost method, the investment is initially measured at the acquisition-date fair value of the consideration transferred to the other party in exchange for the investment.

Acquisition-related costs are recognized as expenses in the period incurred, with the exception of costs to issue debt and equity securities. Earnings from the investment are recognized in net income only to the extent that they are received or receivable.

The Company assesses its investments accounted for using the cost method for any indications of impairment at each reporting period-end. The Company recognizes in net income an impairment loss when it determines that there is an indicator of impairment and a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the investment. The impairment loss is measured as the excess of the carrying amount of the investment over the higher of either the present value of future cash flows or the amount that could be realized by selling the asset at the non-consolidated balance sheet date. When the extent of impairment of a previously written-down investment decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed, to the extent of the improvement, in net income in the period the reversal occurs.

4. Accounting policies (continued)

Property, plant and equipment

Property, plant and equipment are recorded at cost. Amortization is calculated based on the following methods:

Computer equipment	Diminishing balance	30%
Leasehold improvements	Straight-line	10 years
Office furniture	Diminishing balance	20%
Plant equipment	Diminishing balance	15%
Plant furniture	Diminishing balance	20%
Plant tools	Diminishing balance	20%
Production equipment	Diminishing balance	20%
Rolling stock	Diminishing balance	30%
Signs	Diminishing balance	20%

Intangible assets

Intangible assets are recorded at cost. Amortization is calculated based on the following methods:

Certification	Straight-line	20 years
Patents	Straight-line	20 years
Software	Diminishing balance	30%
Trademark	Straight-line	10 years

Impairment of long-lived assets

Long-lived assets such as property, plant and equipment and intangible assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when their carrying value exceeds the total undiscounted cash flows expected from the use and eventual disposition of the item. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value at the date of impairment.

Income taxes

The Company accounts for its income taxes using the asset and liability method, whereby deferred tax assets and liabilities are determined based on temporary differences between the bases used for financial reporting and income tax reporting purposes. Deferred income taxes are provided based on the enacted tax rates in effect at the time such temporary differences are expected to reverse. A valuation allowance is provided for deferred tax assets if it is more likely than not that the Company will not realize those tax assets through future operations.

The Company recognizes the tax benefit from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examination by the tax authorities, based on the technical merits of the position. The tax benefit is measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement.
The Company recognizes interest and penalties related to income tax matters in income tax expense.

4. Accounting policies (continued)

Foreign currency translation

Transactions concluded in currencies other than the functional currency are translated at the exchange rates in effect at the end of the year for monetary assets and liabilities, at historical rates for non-monetary items, and revenues and expenses are translated at the average rate for the year. Exchange gains and losses arising from such transactions have been included in the non-consolidated statement of income (loss) and comprehensive income (loss).

Revenue recognition

A) Initial franchise fees

Initial franchise fees relates to the sale of an individual franchise or an area franchise. Revenue is recognized based on the various performance obligations. Performance obligations exist when:

- A contrat includes promises to transfer goods or services to a customer;
- If those goods or services are distinct, the promises are performance obligations and are accounted for seperately;
- A good or service is distinct if the customer can benefit from the good or service on its own or together with other resources that are readily available to the customer and the Company's promise to transfer the good or the service to the customer is separately identifiable from other promises in the contract;
- Promises to provide services might be implied by the Company's customary business practice if those practices create a reasonable expectation to the customer that the entity will transfer a service.

The performance obligations include the equipment that a franchisee needs to start their operation, the right to perform work under the name of the franchise, minimum purchase requirements, a material right for renewal of contract and a material right for the purchase of additional territories. An allocation of the transaction price to the performance obligations in the contract is performed whereby the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the entity expects to be entitled in exchange for transferring the promised services. The transaction price allocated to performance obligations is estimated using the residual approach.

The Company recognizes revenue when it has satisfied the performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

The different performance obligations are accounted for as follows:

Initial franchise fee	Over the term of the contract
Equipment	When transferred to the franchisee
Minimum purchases requirement	When transferred to the franchisee
Material right for renewal	Deferred until the renewal is exercised or not
Material right for additional territory	Deffered until the additional territory is bought

There are 195 franchises and territories in operation as of January 31, 2020 (201 in 2019).

4. Accounting policies (continued)

Revenue recognition (continued)

B) Product sales

The Company recognizes revenue when it has satisfied the performance obligation by transferring the promised good (i.e. an asset) to a customer. An asset is transferred when the customer obtains control of that asset.

Deferred revenue

Deferred revenue consists of unfulfilled obligations due to franchisees and payments received from the franchisees for the purchase of goods not delivered as at year-end.

Use of estimates

The preparation of non-consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the non-consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Management reviews its estimates on an ongoing basis, particularly as they relate to accounting for useful lives of property, plant and equipment, impairment of long-lived assets, valuation of intangible assets and the cost and net realizable value of inventories, based on management's best knowledge of current events and actions that the Company may undertake in the future. Actual results could differ from those estimates.

New accounting pronouncement applied in the current year

A) Revenue from contracts with customers

In May 2014, the FASB issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*. The core principle of this guideline is that an entity should recognize revenue, to depict the transfer of promised goods or services to customers, in an amount that reflects the consideration to which the entity is entitled, in exchange for those goods or services. Guidance in this section supersedes the revenue recognition requirements found in ASC 605, *Revenue Recognition*. (ASU) 2014-09 requires disclosure on information to enable users of financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. This standard applied to the Company's 2020 fiscal year for both product sales and franchise revenue.

The Company adopted Topic 606 on the effective date, February 1, 2019, using a modified retrospective approach applied to all contracts and did not retrospectively adjust its presentation for periods prior to adoption. The core principle of Topic 606 is that an entity should recognize revenue from a franchisee for the transfer of goods and services equal to the amount that it expects to be entitled to receive for those goods or services, as well as when an entity should recognize gross revenue as a principal, or net revenue as an agent, and how an entity should identify performance obligations.

The cumulative effect of applying the new guidance to all contracts with franchisees that were not completed as at February 1, 2019 has been recorded as an adjustment to accumulated deficit as of the adoption date.

4. Accounting policies (continued)

Future accounting pronouncements not yet in application

A) Leases with terms of more than 12 months

In February 2016, the FASB issued Accounting Standards Update No. 2016-02 ("ASU 2016-02") *Leases (Topic 842)*. ASU 2016-02 requires a lessee to recognize a liability for its lease obligation and an asset for its right to use the underlying asset under lease for leases with terms of more than 12 months. In addition, ASU 2016-02 eliminates certain prescriptive requirements for lease classification, and aligns certain of the underlying principles of the lessor revenue recognition model with ASU 2014-09. ASU 2016-02 requires entities to recognize and measure leases under the new guidance at the beginning of the earliest period presented using a modified retrospective approach. In July 2018, the FASB issued Accouting Standards Update No. 2018-11 ("ASU 2018-11"), *Leases (Topic 842) : Targeted Improvements*, which allows for an additional and optional transition method under which an entity would record a cumulative-effect adjustment at the beginning of the period of the adoption.

ASU 2016-02 and ASU 2018-11 are effective for the Company for the fiscal year ending January 31, 2023, with early adoption permitted. The Company is currently evaluating the impact of adopting ASU 2016-02 and ASU 2018-11.

B) Measurement of Credit Losses on Financial Instruments

In June 2016, the FASB issued Accounting Standard Update No. 2016-13 ("ASU 2016-13"), *Financial Instruments - Credit Losses (Topic 326) : Measurement of Credit Losses on Financial Instruments* and in November 2018 issued a subsequent amendment, Accounting Standards Update, 2018-19 ("ASU 2018-19"), *Codification Improvements to Topic 326, Financial Instruments – Credit Losses*. For instruments measured at amortized cost, ASU 2016-13 replaces the current incurred loss approach to estimating credit losses with an expected loss approach and updates the related disclosure requirements. ASU 2016-13 and 2018-19 are effective for the Company for the year ending January 31, 2024, with early adoption permitted. The Company has not yet determined the impact of the application of this new standard.

5. Accounts receivable

	2020 **$**	2019 $
Trade accounts receivable	**1,016,821**	1,017,109
Allowance for doubtful accounts	**(54,894)**	-
Government assistance receivable	**119,497**	56,677
	1,081,424	1,073,786

6. Inventories

	2020 **$**	2019 $
Raw materials	**159,022**	274,781
Work in progress	**283,806**	277,961
Finished goods	**777,730**	770,860
	1,220,558	1,323,602

7. Property, plant and equipment

	Cost $	Accumulated amortization $	2020 Net book value $	2019 Net book value $
Computer equipment	**73,980**	**41,472**	**32,508**	30,312
Leasehold improvements	**228,105**	**76,565**	**151,540**	178,765
Office furniture	**62,226**	**37,178**	**25,048**	31,526
Plant equipment	**593,022**	**277,632**	**315,390**	364,892
Plant furniture	**122,998**	**48,541**	**74,457**	37,373
Plant tools	**130,550**	**87,614**	**42,936**	54,036
Production equipment	**48,076**	**18,964**	**29,112**	36,640
Rolling stock	**56,794**	**11,423**	**45,371**	19,603
Signs	**4,758**	**2,275**	**2,483**	3,120
	1,320,509	**601,664**	**718,845**	756,267
Assets under capital leases				
Plant equipment	**130,678**	**56,588**	**74,090**	87,755
Leasehold improvements	**38,619**	**1,287**	**37,332**	38,232
	169,297	**57,875**	**111,422**	125,987
	1,489,806	**659,539**	**830,267**	882,254

Accumulated amortization of property, plant and equipment as of January 31, 2019, was $508,811.

8. Intangible assets

	Cost $	Accumulated amortization $	2020 Net book value $	2019 Net book value $
Certification	**319,558**	**31,272**	**288,286**	242,733
Patents	**296,275**	**35,766**	**260,509**	205,935
Software	**238,006**	**149,898**	**88,108**	107,648
Trademark	**99,699**	**55,401**	**44,298**	50,279
	953,538	**272,337**	**681,201**	606,595

Accumulated amortization of intangible assets as of January 31, 2019, was $202,015.

9. Bank loan

The Company has an authorized line of credit of CA$1,350,000 (US$1,020,195) (CA$1,350,000 (US$1,027,080) in 2019), at the prime rate plus 2.85% (6.80% as at January 31, 2020) (at prime rate plus 0.85% (4.80% as at January 31, 2019)), of which CA$850,000 (US$642,345) (nil in 2019) remained unused at year-end.

The Company also has an authorized derivative financial instrument global line of credit of CA$300,000 (US$226,710) (CA$300,000 (US$228,240) in 2019), of which CA$300,000 (US$226,710) (CA$300,000 (US$228,240) in 2019) remained unused at year-end.

The two lines of credit are secured by a first-rank mortgage of CA$2,500,000 (US$1,889,250) on all assets, tangible and intangible, present and future of the Company, by a first-rank mortgage of CA$760,000 (US$574,332) on the property located at 1402 Chemin des Pères in Magog (Québec) and by a suretyship of CA$400,000 (US$302,280) given by a shareholder.

9. Bank loan (continued)

Under the terms of the lines of credit, the Company must meet certain financial and non-financial covenants. As at January 31, 2020, a covenant is not met, but the Company has obtained a waiver from the bank.

10. Accounts payable and accrued liabilities

	2020 **$**	2019 $
Trade accounts payable	**324,535**	1,203,645
Accrued liabilities	**9,479**	8,952
Government remittances payable	**1,399**	146
Wages payable	**128,039**	111,627
	463,452	1,324,370

11. Long-term debt

	2020 **$**	2019 $
Loan of an original amount of CA$150,000, bearing interest at 7.10%, reimbursed in full in 2020	**-**	18,840
Loan of an original amount of CA$85,964, bearing interest at the prime rate plus 2.25% (6.20% as at January 31, 2020), payable in monthly instalments of principal of CA$1,433, renewable annually, maturing in January 2023(3)(5)	**46,557**	53,411
Loan of an original amount of CA$150,000, bearing interest at 9.00%, payable in monthly instalments of principal and interest of CA$2,692, maturing in June 2022(4)	**59,211**	72,243
Loan of an original amount of CA$384,482, bearing interest at the prime rate plus 2.25% (6.20% as at January 31, 2020; 4.60% as at January 31, 2019), payable in monthly instalments of principal of CA$6,408, renewable annually, maturing in June 2022(3)(5)	**174,332**	204,760
Loan of an original amount of CA$32,194, bearing interest at 4.74%, payable in monthly instalments of principal and interest of CA$540, maturing in June 2023(6)	**15,319**	19,484
Loan of an original amount of CA$19,905, bearing interest at 5.55%, payable in monthly instalments of principal and interest of CA$292, maturing in July 2023	**8,411**	10,603
Loan of an original amount of CA$700,000, bearing interest at 10.00%, payable in monthly instalments of principal of CA$7,295, maturing in May 2026(1) (2)	**451,810**	488,160
	755,640	867,501

11. Long-term debt (continued)

	2020 $	2019 $
Less: Deferred transaction costs	**(15,433)**	(13,721)
	740,207	853,780
Current portion	**163,648**	182,090
Current renewable portion	**149,785**	186,588
	426,774	485,102

Principal payments required in each of the next five years, assuming the debt is renewed, are as follows:

	$
2021	163,648
2022	165,848
2023	162,020
2024	76,930
2025	66,154

(1) As per the loan agreement, an amount of CA$200,700 (US$151,669) with respect to the loans from shareholder cannot be reimbursed unless certain financial ratios and reimbursement conditions have been met. As at January 31, 2020, those covenants and conditions have been met.

(2) The loan is secured by a principal mortgage of CA$700,000 (US$528,990) and an additional mortgage of CA$140,000 (US$105,798) on all assets, tangible and intangible, present and future of the Company and by a suretyship of CA$350,000 (US$264,495) given by a shareholder.

(3) The Company is required to comply with certain financial and non-financial covenants. As at January 31, 2020, a covenant is not met, but the Company has obtained a waiver from the bank.

(4) The loan is secured by a mortgage on the property located at 1516 chemin Ivory, Magog, Québec, and by a suretyship given by a shareholder.

(5) The loan is secured by a first-rank mortgage of CA$2,500,000 (US$1,889,250) on all assets, tangible and intangible, present and future of the Company and by a suretyship of CA$400,000 (US$302,280) given by a shareholder.

(6) The loan is secured by a rolling stock with a net book value of CA$16,326 (US$12,338).

12. Obligations under capital leases

	2020 $	2019 $
Equipment lease contract, of an original amount of CA$51,104, payable in monthly instalments of CA$1,483 including interest, bearing interest at 12.06%, maturing in April 2022	**26,843**	35,516
Equipment lease contract, of an original amount of CA$20,674, payable in monthly instalments of CA$483 including interest, bearing interest at 6.29%, maturing in May 2022	**8,866**	12,647

12. Obligations under capital leases (continued)

	2020 $	2019 $
Equipment lease contract, of an original amount of CA$136,179, payable in monthly instalments of CA$1,947 including interest, bearing interest at 5.73%, maturing in May 2023	**53,672**	68,416
Equipment lease contract, of an original amount of CA$37,119, payable in monthly instalments of CA$781 including interest, bearing interest at 5.24%, maturing in January 2024	**23,266**	-
	112,647	116,579
Current portion	**32,783**	28,048
	79,864	88,531

Future minimum lease payments under the capital leases in each of the next four years are as follows:

	$
2021	42,562
2022	42,562
2023	27,714
2024	7,908
	120,746
Interest included in minimum payments	8,099
	112,647

13. Share capital

Authorized

Class A shares, voting, dividends and participating

Class B shares, voting, non-participating, liquidation and wind-up, automatic buyback at death, purchase, right of veto

Class C shares, non-voting, monthly preferred dividends, non-participating, liquidation and wind-up, redeemable, purchase, right of veto

Class D shares, non-voting, monthly preferred dividends, non-participating, liquidation and wind-up, redeemable, purchase, right of veto

Class E shares, non-voting, annual preferred dividends, non-participating, liquidation and wind-up, redeemable, purchase, right of veto

Class F shares, non-voting, dividends, non-participating, liquidation and wind-up, unilaterally redeemable, purchase, right of veto

13. Share capital (continued)

Issued and paid

An unlimited number of common shares, without par value

	2020 $	2019 $
154 Common shares (143 in 2019)	**1,618,875**	854,273

During the year, the Company issued 11 common shares for a cash consideration of CA$1,011,780 (US$764,602).

14. Income taxes

The Company has income tax losses which may be used to reduce future years' taxable income. The benefits resulting from these tax losses have not been recognized in the non-consolidated financial statements. These losses expire as follows:

	$
2034	353,868
2035	779,419
2036	286,017
2037	341,154
2038	715,508
2039	603,663

15. Supplementary information to the statement of cash flows

	2020 $ (as restated) (Note 3)	2019 $
Changes in non-cash operating working capital items		
Accounts receivable	**(14,819)**	10,442
Advance to a subsidiary	**(1,279)**	-
Sales taxes receivable	**(9,178)**	(353)
Inventories	**94,061**	(168,088)
Deposit and prepaid expenses	**67,601**	(53,605)
Deferred commissions	**(176,301)**	-
Accounts payable and accrued liabilities	**(851,025)**	342,989
Deferred revenue	**1,613,909**	326
	722,969	131,711

Non-cash transactions

During the year, property, plant and equipment of $28,051 was acquired, of which an amount of $28,051 was financed by the seller, and which did not have an impact on the non-consolidated statement of cash flows.

16. Commitments

The Company leases equipment under an operating lease that expires on September 16, 2021. Future lease payments aggregate to $7,996 and include the following minimum payments over the next two years:

	$
2021	4,797
2022	3,199

17. Financial instruments

Market risk

Market risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market prices. Market risk affecting the Company is comprised of currency risk and interest rate risk. The Company is exposed to certain of these risks, as described below.

a) Currency risk

The Company, whose functional currency is the Canadian dollar, realizes approximately 68% of its sales in U.S. dollars (59% in 2019) and is thus exposed to foreign exchange fluctuations.

The balance sheet includes the following amounts expressed in U.S. dollars with respect to financial assets and liabilities for which cash flows are denominated in the following currencies:

	2020 **$**	2019 $
U.S. dollar		
Cash	**90,856**	4,084
Trade accounts receivable	**892,224**	941,757
Trade accounts payable	**43,889**	26,720
Euro		
Trade account receivable	**21,221**	21,778

b) Interest rate risk

The bank loan bears interest at a variable rate. The long-term debt bears interest at variable and fixed rates. The loans from shareholders bear interest at a fixed rate. The fixed-rate loans subject the Company to a fair value risk, while the variable-rate loans subject it to a cash flow risk.

Credit risk

The Company provides credit to its customers in the normal course of its operations. It carries out, on a continuing basis, credit checks on its customers and maintains an allowance for doubtful accounts.

17. Financial instruments (continued)

Liquidity risk

The Company's objective is to have sufficient liquidity to meet its liabilities when due. The Company monitors its cash balances and cash flows generated from operations to meet its requirements. As at January 31, 2020, the most significant financial liabilities are the bank loan, accounts payable and accrued liabilities, long-term debt and loans from shareholders.

18. Subsequent event

Subsequent to the year-end, on March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. In addition, on March 23, 2020, with the exception of certain essential services, the Quebec government ordered the closure of all Quebec businesses and stores until April 13, 2020; and then extended until May 4, 2020. The Company is considered an essential service therefore its operations have not been significantly affected. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Company in future periods.

GoliathTech Inc.
Supporting schedules
Year ended January 31, 2020 (expressed in U.S. dollars)

Cost of goods sold – Schedule A

	2020 $	2019 $
Inventories, beginning of year	**1,323,602**	1,237,042
Purchases	**2,033,213**	2,135,014
	3,356,815	3,372,056
Inventories, end of year	**(1,220,558)**	(1,323,602)
	2,136,257	2,048,454
Direct wages and employee benefits	**564,522**	699,468
Equipment costs	**64,729**	119,718
Subcontracts	**12,780**	5,045
	642,031	824,231
Other costs		
Energy	**73,730**	69,757
Factory rent	**193,308**	207,517
Professional fees	**76,080**	91,094
Repairs, maintenance and equipment rental	**20,019**	66,355
Property taxes	**54,853**	51,815
Supplies	**199,150**	197,107
Freight	**8,234**	12,334
Amortization of property, plant and equipment	**104,239**	105,164
	729,613	801,143
	3,507,901	3,673,828

Selling expenses – Schedule B

	2020 $ (as restated) (Note 3)	2019 $
Salaries and wages	**403,615**	443,949
Advertising and promotion	**386,194**	85,636
Insurance	**13,523**	9,678
Selling commissions - Franchises	**133,936**	78,671
Selling commissions - Product sales	**60,969**	64,581
Shipping expenses	**218,074**	184,439
Travel expenses	**123,097**	148,936
	1,339,408	1,015,890

General and administrative expenses – Schedule C

	2020 $	2019 $
Salaries and wages	**499,543**	505,144
Bad debts	**35,755**	36,064
Computer-related expenses	**61,907**	80,029
Electricity	**12,342**	6,329
Factory rental	**26,725**	33,110
Insurance	**71,130**	64,551
Office expenses	**48,641**	38,167
Professional fees	**221,595**	359,349
Property taxes	**45,495**	9,499
Research and development expenses, net of credit	**154,598**	-
Telecommunications	**23,087**	21,453
Training and dues	**5,807**	6,333
Amortization of property, plant and equipment	**49,715**	45,333
Amortization of intangible assets	**71,591**	65,258
	1,327,931	1,270,619

Financial expenses – Schedule D

	2020 $	2019 $
Interest on long-term debt	**130,181**	80,472
Interest on loan from shareholders	**115,693**	107,866
Other financial expenses	**89,942**	141,139
	335,816	329,477

Other revenue – Schedule E

	2020 $	2019 $
Foreign exchange (loss) gain	**(2,473)**	54,267
Interest income	**37,791**	11,225
	35,318	65,492

Revenue and cost of goods sold – Schedule F

	Revenue $ (as restated) (Note 3)	**Cost $**	**2020 Gross profit $ (as restated) (Note 3)**
Product sales	**6,380,980**	**3,400,709**	**2,980,271**
Franchise revenue	**1,011,281**	**107,192**	**904,089**
	7,392,261	**3,507,901**	**3,884,360**

	Revenue $	Cost $	2019 Gross profit $
Product sales	4,888,450	3,516,779	1,371,671
Franchise revenue	845,997	157,049	688,948
	5,734,447	3,673,828	2,060,619

EXHIBIT B TO THE

DISCLOSURE DOCUMENT FRANCHISE AGREEMENT

GoliathTech Inc.
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E. TRADE SECRETS & CONFIDENTIALITY AGREEMENT
F. MUTUAL TERMINATION AND RELEASE AGREEMENT

Franchise Agreement

Franchise Agreement No.: _____

DATED: _____("Effective Date")

BETWEEN: **GoliathTech Inc.** (Franchisor")

AND: _____("Franchisee")

_____

_____

TERRITORY:

RECITALS

WHEREAS Franchisor has developed a unique system offering and installing helical piles (screw piles) operating under the Marks and using the System (hereinafter the "System");

WHEREAS Franchisor owns the tradename "**GoliathTech**" and related logos and marks and trade dress as more fully described in this Agreement (hereinafter the "Marks");

WHEREAS, as between Franchisor and Franchisee, Franchisor is the owner of all goodwill associated with and to become associated with the Marks, the value of which Franchisee acknowledges;

WHEREAS Franchisee recognizes the advantages and value of the System and Marks and desires to obtain a license for a **GoliathTech** business (hereinafter the "Licensed Business");

WHEREAS Franchisee recognizes the necessity and value of maintaining high standards and uniformity of appearance, image, products, services and customer relations in conformity with the System as Franchisor may reasonably modify it from time to time;

WHEREAS Franchisee is aware of the risks, business and otherwise, associated with owning an **GoliathTech** Licensed Business and has independently evaluated those risks without relying

upon any representations from Franchisor or Franchisor's agents regarding revenues, profits or probability of success, excepting only those representations and accompanying cautions contained in Franchisor's Franchise Disclosure Document, revenues, profits or probability of success being affected primarily by factors beyond Franchisor's control, including Franchisee's skill, personality, diligence and dedication and general regional or local economic or demographic conditions; and

WHEREAS, Franchisor, in reliance upon Franchisee's representations, is willing to provide certain training and other services and to grant a license, but only on the terms of this Agreement, which terms Franchisee understands and accepts, and both parties acknowledge to be reasonable and material;

NOW THEREFORE, for and in consideration of the mutual covenants herein set forth, and other good and valuable consideration, the receipt and sufficiency of which each party hereby acknowledges, and each party fully intending to be legally bound hereby, Franchisor and Franchisee mutually agree as follows:

Article–1 - License and System

1.01 *Grant of License.* Subject to the terms and conditions of this Agreement, Franchisor grants to Franchisee a non- exclusive license to operate one (1) GoliathTech franchise business using the System and Marks for a period of 5 years from and after the Effective Date of this Agreement, said helical piles installation business is to be located only at the location specified in Addendum A hereto, or at such other location within or outside of the Territory at Franchisee's discretion, and without the Franchisor's prior approval. Franchisee, based upon Franchisee's own research and knowledge, shall select a location within 6 months after signing this Agreement and that location shall be accurately stated in Addendum A.

1.02 Location and Territory.

1.02.01 Except as specifically permitted by this Agreement, Franchisee's **GoliathTech** business shall be the only **GoliathTech** business to operate within the geographical territory described in Addendum B hereto (the "Territory"). Franchisor will not locate or open a competitive **GoliathTech business** in the Territory, either company-owned or franchised, during the term of this Agreement, so long as Franchisee is not in breach of this Agreement. Franchisee shall not distribute or publish advertising or otherwise market outside Franchisee's territory except in compliance with this Agreement and the Manual. Franchisee may provide services or products outside of its Territory provided another Franchisee has not been granted a license to that Territory. Franchisee may not provide services or products to a customer located in the Territory of another Franchisee under any circumstances. Franchisor reserves the exclusive right to solicit and sell product within Franchisee's Territory to manufactured home manufacturers ("Manufactured Home Manufacturers"). Franchisee may not solicit or sell product to any Manufactured Home Manufacturer in its Territory. Franchisee shall not receive compensation based on Franchisor's sale of product to Manufactured Home Manufacturers. Franchisor may enter into direct product sale relationships with Manufactured Home Installers within Franchisee's Territory, as part of Franchisor's Manufactured Home Installer Program which is further discussed in Section 7.19 of this Agreement.

1.02.02 Additional Territory. Subject to Franchisor's prior written approval, if Franchisee is in full compliance with this Agreement and the Manual, Franchisee may be permitted to acquire an additional adjacent territory that has not been assigned to another franchisee. The price of

such territory shall be $37,125USD excluding the equipment package which is to be purchased separately. The purchase price for the additional territory is payable, in full, upon the signing of an addendum granting the territory to Franchisee.

1.03 Licensed Business. The term "Licensed Business" means a business in which the Franchisee engages in the business of selling and installing helical piles, manufactured by Franchisor, pursuant to the terms of this Agreement. Franchisee will provide these services operating under the Marks and using the System (hereinafter the "System"). Franchisor shall have the right to add or delete or change product and service offerings at any time and Franchisee agrees to comply with such changes.

1.04 System, Marks, and Patented Products.

1.04.01 Franchisee agrees to operate the Licensed Business only according to the System and only under the Marks pursuant to the Manual. Franchisee acknowledges that Franchisor owns all rights to the System and the Marks and Franchisee has only such rights as this Agreement grants. For purposes of this Agreement, the "System" includes the rights and obligations set forth in this Agreement, the Operating Manual furnished to the Franchisee as amended from time to time, Franchisor's name, training, methods of operation, reputation, advertising, system, and similar benefits pursuant to which the Franchisee operates the Licensed Business.

1.04.02 Unless otherwise first approved by Franchisor in writing or unless otherwise required by applicable law, Franchisee agrees to do business only under the name "**GoliathTech**". Franchisee shall not use the Marks in any manner not specifically approved by Franchisor, including, without limitation, as part of any domain name or other address on any portion of the Internet or any new medium, including as part of any meta tag(s) or similar use.

1.04.03 Franchisee shall immediately notify Franchisor, in writing, if Franchisee learns of any attempt by any person to infringe the Marks or to wrongfully appropriate the System or any part of it. Franchisor may, in its sole discretion, take whatever action it deems appropriate to protect or defend the Marks or System but is not obligated to take any action whatsoever. Franchisee agrees to fully cooperate with Franchisor in any action anticipated by or taken by or on behalf of Franchisor. Franchisee understands that it may become necessary, in Franchisor's sole discretion, to change, totally or in part, the Marks, as a result of litigation or otherwise. In that event, Franchisee agrees to immediately adopt the new or revised Marks, and Franchisor's maximum liability, including for any purported goodwill, shall be to reimburse Franchisee the actual out-of-pocket costs of changing the principal signs identifying the Premises.

1.04.04 Franchisor may change the System or any part of the System at any time, and as changed it shall remain the System pursuant to this Agreement. Franchisor shall own any improvements or changes in the System whether developed by Franchisor, by Franchisee or by other franchisee(s) and shall have the right to adopt and perfect such improvements or changes without compensation to Franchisee or other franchisees. If Franchisor modifies the System, Franchisee shall, at Franchisee's own expense except to the extent specifically provided in this Agreement, adopt, and use such modification(s) as if it were part of the System at the time of execution of this Agreement.

1.04.05 Franchisee acknowledges that Franchisor owns, in connection with the Marks, all goodwill associated with or to become associated with the telephone numbers and telephone listings and agrees to execute an Assignment of Telephone Numbers in the form of Addendum C, attached.

1.05 Minimum Purchase Requirement

Franchisee is required to purchase a minimum quantity of Franchisor's manufactured products per year (the "Minimum Purchase Requirement"). The following Minimum Purchase Requirement shall be determined on a twelve (12) month basis, commencing on the date Franchisee commences operation of its franchised business and shall apply to each Territory owned by a Franchisee. Product sold directly to an MHI by Franchisor shall not be included in the determination of Franchisee's compliance with its Minimum Purchase Requirement. In the event Franchisee shall fail to meet the Minimum Purchase Requirement, Franchisor has the option to terminate this Agreement.

Minimum Purchase Requirements of Franchisor's Manufactured Products

Year 1 (months 1 – 12) $15,000

Year 2 (months 13 – 24)$25,000

Year 3 (months 25 – 36)$35,000

Year 4 (months 37 – 48)$45,000

Year 5 (months 49 – 60)$50,000

10% yearly incremental increase of the then-current franchise agreement after Year 5.

1.06 Manual.

Franchisor agrees to loan to Franchisee, or to make available to Franchisee in electronic format, during the term of this Agreement one or more operations manuals (the "Manual"), together with such updates and modifications as Franchisor may from time to time provide to Franchisee. Franchisor may make any changes or modifications in the Manual as in Franchisor's sole judgment are desirable. Franchisee agrees that if there should, at any time, be a discrepancy between the terms of Franchisee's copy of the Manual and the master copy maintained in Franchisor's corporate headquarters, the terms of the master copy shall prevail. Franchisee agrees, at all times, to conform to the Manual in all respects including to obtain any equipment, fixtures, personnel or technology necessary to do so. The Manual is and shall at all times remain the property of Franchisor and shall be returned to Franchisor upon expiration, termination or non-renewal of this Agreement for any reason. Franchisee agrees not to make it available to or permit another to make any copies of the Manual or any portion thereof without Franchisor's prior written consent. Franchisee acknowledges and agrees that the fair value of the Manual is at least five hundred dollars ($500).

1.07 Patents.

Franchisee shall immediately notify Franchisor, in writing, if any claim, demand, notice, or legal process is served on Franchisee alleging or asserting that Franchisor's proprietary products infringe on the patent or intellectual property rights of another party. Franchisor will indemnify and hold Franchisee harmless from all damages arising out of or based on the claims of patent infringement asserted by a third party. Franchisor shall have the sole right to control all litigation. Franchisee agrees to fully cooperate with Franchisor in any litigation or other proceedings as may be reasonably required by Franchisor. Franchisee understands that it may become necessary, in

Franchisor's sole discretion, to discontinue the sale of the proprietary helical piles, as a result of litigation or otherwise. In that event, Franchisee agrees to substitute a comparable product, and Franchisor's maximum liability, including for any purported goodwill, shall be to repurchase from Franchisee its inventory of product at Franchisee's actual cost.

Article 2 - Initial and Continuing Fees and Advertising

2.01 *Initial Fee.*

The Initial Fee for the **GoliathTech** Franchise is $49,500USD. The Initial Fee shall be paid in cash or in immediately available funds when Franchisee signs the Franchise Agreement. The Initial Fee is non- refundable under any conditions. You must also purchase the Starter Equipment Kit from us. The price of the Starter equipment Kit is approximately Thirteen Thousand ($13,000.00) US Dollars.

2.02 *Marketing Fee.*

2.02.01 Franchisee shall pay to Franchisor a monthly Marketing Fee in the amount equal to 6% of the Franchisee's Product purchases from Franchisor. Products purchased for use in the manufactured home industry by either a Franchisee, an MHI, or a Manufactured Home Manufacturer are not subject to the 6% Marketing Fee. Franchisor may reduce or discontinue the Marketing Fee at any time and may, thereafter, reinstate it upon a new thirty-day notice. If Franchisee owns more than one **GoliathTech** franchise Territory, Franchisee shall report and pay the Marketing Fee for each franchise Territory independently, unless otherwise directed by Franchisor.

2.02.02 Franchisor shall maintain all Marketing Fees collected; net of any taxes Franchisor is required to pay on account of having collected the Marketing Fees. Upon Franchisee's written request, Franchisor will provide an unaudited annual accounting to all Franchisees as to the aggregate amount of Marketing Fees collected and their use and application by general category, which accounting will be prepared within ninety days following the end of Franchisor's fiscal year. Franchisee acknowledges and agrees that each such accounting is a Trade Secret and shall be treated as such according to this Agreement. Except as herein specifically provided, Franchisee waives all compliance with the Uniform Trust Accounting Act and related or similar laws to the broadest extent permitted by law.

2.02.03 Franchisor shall use Marketing Fees collected, net of taxes and governmental fees, for advertising, marketing, and promotion for the benefit of Franchisor's System. Selection of marketing, advertising and promotion location, scope, content, copy, timing, and approach shall be by Franchisor and in Franchisor's sole discretion. Franchisor may use some of the funds, in its discretion, for market research, production and administration of the advertising program. Franchisor will attempt to benefit all of Franchisor's franchisees through the marketing program over all; however, not every element of the marketing and promotion program will necessarily directly benefit any specific franchisee. In making its marketing decisions, Franchisor will consider but not be bound by advice from any advisory committee(s) of franchisees recognized by Franchisor.

2.02.04 Franchisor shall have no duty to conduct any marketing program and if Franchisor does conduct a program, Franchisor makes no representations or warranties regarding the nature of the marketing to be conducted or about how it will affect Franchisee's revenue.

2.03 *Management Assistance.*

In the event Franchisee requests Franchisor to provide extraordinary management or support services at Franchisee's location or in Franchisee's Territory, Franchisee shall incur a fee for such extraordinary services. All such extraordinary services shall be arranged as provided in the Manual.

2.04 *Gross Revenues.*

The term "Gross Revenues" shall mean the full price of all goods and services sold by Franchisee from or relating to the Licensed Business, whether or not Franchisee has received cash or other consideration. The only thing not included in Gross Revenues is taxes or fees Franchisee is required to collect on behalf of the government and which Franchisee actually remits. Gross Revenues are calculated at the time Franchisee sells the goods or services, without regard to when the Franchisee receives or expects to receive cash or other consideration therefore.

2.05 *Local Marketing.*

Franchisee shall spend, on a monthly basis, 3% of Gross Revenues on local marketing. Local marketing expenditures shall be in addition to the Marketing Fees paid, pursuant to paragraph 2.02.

2.05.01 Local Marketing.

In addition to complying with any specific marketing requirements of Franchisor, Franchisee shall place and pay for such other marketing as Franchisee deems necessary and appropriate. Franchisee shall be responsible to assure that all marketing so placed complies with the Manual and serves to enhance and not detract from or harm the Marks and the goodwill attached and to become attached thereto. Franchisee shall promptly send to Franchisor's approved marketing firm copies of all marketing copy and media used. In the event Franchisor's approved marketing firm deems any advertisement or marketing technique to be not in compliance with this paragraph, Franchisee shall, immediately upon receipt of a written notice from Franchisor, cease using the subject advertisement or marketing technique and shall thereafter fully comply with this paragraph. If Franchisee violates this paragraph more than two times in any twelve-month period, Franchisor may, in addition to all other remedies available pursuant to this Agreement, require Franchisee to obtain prior written of copy and marketing technique for all or certain categories of marketing.

2.06 *Order Cancellation Fee.*

Franchisor at its sole discretion may permit Franchisee to cancel an order that is either in process or that has been completed but that has not yet shipped. Should Franchisor permit Franchisee to cancel an order, Franchisor shall impose a fee equal to three (3%) percent of the total order price plus an administrative fee of One Hundred Fifty ($150) US Dollars. The minimum Order Cancellation Fee shall be One Hundred Fifty ($150) US Dollars will apply to orders of less than Five Thousand ($5,000) US Dollars. The Order Cancellation Fee is due and payable at the time of cancellation by credit card.

2.07 *Change Order Fee.*

In the event that Franchisee shall add or subtract items from a previously placed order that is either in process or that has been completed but that has not yet shipped, Franchisor shall impose

a fee equal to the greater of three (3%) percent of the price of the items removed or added to the order or One Hundred Fifty ($150) US Dollars. The Change Order Fee will be added to Franchisee's invoice.

2.08 *Storage/Holding Fee*.

In the event that Franchisee shall request Franchisor to hold any order ready for shipment for more than three (3) days of the date the order is packed, Franchisor shall impose a Storage Fee equal to the greater of three (3%) percent of the price of the items requested to be held back or One Hundred Fifty ($150) US Dollars for the first seven (7) days. For each additional week or any part thereof that the order is held at Franchisee's request, Franchisor shall impose an additional Storage Fee equal to the greater of three (3%) percent of the price of the order or One Hundred Fifty ($150) US Dollars.

2.09 *Rebates, Discounts and Allowances.*

The Franchisor may negotiate for the Franchisee and Franchisor to receive discounts based upon product volume purchased from Our approved suppliers.

2.10 *Payments To Be Made in US Dollars.*

All payments required to be made by the Franchisee to the Franchisor pursuant to this Agreement are payable to the Franchisor in US Dollars. All references to "Dollars" in this Agreement means U.S. Dollars.

Article 3 - Reports and Audits

3.01 Records And Reports.

Franchisee shall at all times maintain true and accurate business records in the manner specified by Franchisor and by state or local regulators. Franchisee shall, on a monthly basis or at such other intervals as specified by Franchisor, provide Franchisor with such report(s), in the form(s) specified by Franchisor, as Franchisor may require, and at such times as Franchisor may require, including, but not limited to, reports of Gross Revenues, reports of business expenses and overhead, customer information, copies of detailed purchase invoices, number and type of transactions, identity of vendors, the amount of marketing expenditures, detailed records of marketing expenditures, copies of inspection reports, and weekly or monthly sales summary. By submitting any reports to Franchisor, Franchisee is certifying that they are true and correct. Within ninety (90) days following the end of each calendar year, Franchisee shall provide Franchisor with a copy of Franchisee's balance sheet and an income and expense statement for the year. At the time they are filed, Franchisee shall provide Franchisor with copies of Franchisee's federal income tax return(s) and state and local excise tax returns, if applicable, together with all exhibits and schedules thereto and all amendments thereafter. Franchisor is authorized to rely upon such reports and financial documents and to disclose them to governmental authorities as and if properly requested. Franchisor may use data from the reports and financial documents in composite or statistical form for any purpose in Franchisor's sole discretion. Franchisor is authorized to obtain or verify the information and reports described herein by electronic means from Franchisee's computer(s), at any time, without prior notice, at Franchisor's sole election. Franchisee shall retain all business records for at least five (5) years or such longer period as may be required by applicable law.

3.02 Failure to Report.

If Franchisee fails, for any reason, to timely deliver to Franchisor any required report with all required information, Franchisor is authorized, to assess Franchisee a penalty of not more than Five Hundred ($500) US Dollars. Franchisee hereby authorizes Franchisee's bank to make such transfers upon Franchisor's request. No action taken under this sub-paragraph shall constitute a cure of any breach by Franchisee, an election of remedies by Franchisor or act, in any way, to limit Franchisee's liability to pay fees under this Agreement.

In the event that Franchisee has failed to deliver to Franchisor the following documents within ninety (90) days from Franchisee's fiscal year end, Franchisee shall be in material default of this Agreement, which default may be cured within seven (7) days of Franchisor's notice; balance sheet and profit and loss statement for the fiscal year just ended.

3.03 Audits And Inspections.

Franchisor shall have the right, at any time to request an audit or inspection of the Franchisees licensed business. Franchisor will incur the cost of any inspection of the licensed business requested by the Franchisor. Should Franchisee at any time cause an audit to be made of Franchisee's Licensed Business, Franchisee shall cause a copy of the report of said audit to be delivered to Franchisor without any cost or expense to Franchisor.

3.04 Contact With Others.

Franchisor shall have the right, in Franchisor's sole discretion and without further notice to Franchisee or to any other person or entity, to contact any of Franchisee's customers, landlord, accountant, vendors, or other persons within Franchisee's Territory or otherwise for the purpose of verifying the accuracy of any information submitted by Franchisee, for quality assurance or for any other purpose not inconsistent with this Agreement.

Article 4 – Training

4.01 *Initial Training.*

4.01.01 Franchisee and Franchisee's designated manager, if applicable, shall successfully complete Franchisor's initial training program. During Your franchise term, We will provide initial training to You and up to four additional employees as part of Your Initial Fee. The initial training program will be approximately 40 hours in length and shall be conducted at such location(s) as Franchisor specifies. The initial training may be conducted, in whole or in part, at Franchisor's corporate office in Magog, Quebec. For training requests at the Franchisees location, and approved by Franchisor, the Franchisee shall pay for the trainers' expenses for travel, and room and board. Franchisee and Franchisee's manager, if applicable, will be required to execute a consent, waiver and release before beginning training, relieving Franchisor or other franchisees who might be involved in the training of liability for wages, benefits, and for injury, damages or harm that might occur while training in the facilities of Franchisor or another franchisee. Franchisee shall be responsible for all salaries, compensation, benefits, and living and travel expenses of trainees. After the initial training, Franchisor will be available for such reasonable consultation as Franchisor deems appropriate. Franchisor reserves to itself the exclusive right to determine whether Franchisee and other trainees have satisfactorily completed the training program. If Franchisee and Franchisee's designated Manager, if applicable, do not satisfactorily complete the initial training program, Franchisor may terminate this Agreement. Franchisee

acknowledges that such failure to satisfactorily complete the initial training program is grounds for termination of this Agreement.

4.02 *Manager Training.*

At all times, Franchisee or Franchisee's Manager in charge of operating the Licensed Business shall be an individual who has successfully completed Franchisor's Manager training program and who otherwise meets Franchisor's Manager criteria. Any new Manager shall successfully complete Franchisor's Manager training program within 60 days after assuming the role of Manager. There shall be an estimated charge of $500 per person per day for the subsequent training. In all cases, Franchisee shall be solely responsible for any salaries, compensation, benefits and living and travel expenses of trainees.

4.03 *Subsequent Training.*

Franchisor may require Franchisee and Franchisee's Manager to complete additional training at a location determined in Franchisor's sole discretion. There shall be a charge of $500 per group trained per day for the subsequent training. If the training is conducted at Franchisee's location, Franchisee shall also pay our trainers expenses for travel, and room and board. Franchisee shall, in any event, be solely responsible for all salaries, compensation, benefits, and living and travel expenses of trainees.

4.04 *Training Materials.*

Franchisor may, from time to time, provide or make available to Franchisee training materials and equipment for providing training for Franchisee's manager(s) and employees. Franchisor may charge a reasonable fee for such materials and equipment. Franchisee agrees that all such materials are Trade Secrets pursuant to this Agreement. Franchisee agrees to require all its managers and employees, as applicable, to successfully complete any such training program(s) if Franchisor designates them as mandatory.

4.05 *No Warranty of Success.*

Franchisor's determination that Franchisee or Franchisee's employee(s) have successfully completed any training shall not be a warranty or representation that the person can or will successfully operate the Licensed Business or any aspect thereof.

Article 5 - Trade Secrets and Confidentiality

Franchisee will have access during the course of this Agreement to confidential information and trade secrets that are the property of Franchisor. Confidential information includes, but are not limited to, the System, the Manual, formulas, methods, customer lists and related information, vendor and pricing lists and policies, the Training, and other programs, techniques, and policies as they may be developed by Franchisor from time to time. Franchisee acknowledges that the Confidential Information and Trade Secrets derive independent economic value from not being generally known to, and not readily ascertainable by proper means by, other persons who could obtain economic value from their disclosure or use. Franchisee agrees to not disclose or in any way make available to any unauthorized person(s) any Confidential Information, Trade Secret(s) or any information regarding any Confidential Information, Trade Secret(s) or any proprietary information made available to Franchisee by Franchisor. Franchisee shall hold all such information in complete confidence. Franchisee will not disclose any Confidential Information or

Trade Secrets whatsoever to any person(s) not employed by or under contract with Franchisee. Franchisee will disclose Confidential Information or Trade Secrets only to those employees and agents of Franchisee with a legitimate need to know, each of whom Franchisee warrants will be subject to this article. Franchisee shall cause every Manager and every employee who has access to Confidential Information or Trade Secrets to sign a Confidentiality and Nondisclosure Agreement in the form prescribed by Franchisor, the current form of which is Addendum E hereto. Franchisee agrees that Franchisor shall have sole discretion in determining what items or information is confidential or Trade Secrets and that any items or information designated as confidential or as Trade Secrets by Franchisor in the Manual or otherwise in writing shall be treated as such under this Agreement whether such items or information would be trade secrets under any other applicable legal or other definition(s), including any applicable statutes. In addition to all other remedies available to Franchisor, upon proof of violation of this Article by Franchisee, Franchisee agrees that Franchisor shall be entitled to liquidated damages in an amount equal to the greater of: (a) the sum of the average monthly Marketing Fees paid or payable by Franchisee during the preceding twelve months, multiplied by the number of months, or portion thereof, during which Franchisee was in violation of this Article or (b) one hundred percent of the gross revenues received or receivable by Franchisee or any transferee of any Trade Secrets during every day, or portion thereof, during which Franchisee was in violation of this Article. Franchisee acknowledges and agrees that, in the event of Franchisee's violation of this Article, proof of actual damages would be difficult and that the formula for calculating liquidated damages contained herein is a reasonable estimate of what actual damages would be. The foregoing formula does not result in a penalty.

Article 6 - Pre-Opening Obligations

6.01 Premises and Lease.

Franchisee shall be solely responsible for selecting the location for the Licensed Business that complies with the Manual (hereinafter "the Premises"). Franchisee may locate the Licensed Business at such location as Franchisee shall determine, without the necessity of obtaining the Franchisor's prior consent.

6.02 Required Equipment

Franchisee shall acquire install and use, at Franchisee's sole expense the Required Equipment. The current list of Required Equipment is contained in the manual. Franchisee understands that the specific list of Required Equipment may be different for Franchisee's Licensed Business than for other franchisees or company-owned businesses on account of differences in the Premises, lease terms, demographics or otherwise and that Franchisor shall have the right to modify the list of Required Equipment in the Manual or otherwise in writing. All Required Equipment shall meet or exceed Franchisor's specifications. Franchisee shall purchase the Required Equipment only from vendors approved by Franchisor.

Article 7 - Operation of Licensed Business

7.01 Independent Contractor.

Each party to this Agreement is and shall remain an independent contractor and shall control the manner and means of operation of its respective business and shall exercise complete control over and responsibility for all labor relations and the conduct of its agents and employees. Neither party shall be considered or held out to be agent(s), joint venturers, partners or employee(s) of

the other, except as specifically authorized by this Agreement. Neither party shall negotiate or enter into any agreement or incur any liability in the name of or on behalf of the other unless, and to the extent, specifically authorized by this Agreement. Franchisee shall prominently display signs at all times in the manner specified by Franchisor, indicating the name of the Franchisee and stating that the Licensed Business is independently owned and operated. Franchisee's business forms that bear the Marks shall contain Franchisee's name and a statement that the Licensed Business is independently owned and operated in such form as Franchisor may specify.

7.02 Personal Participation.

Throughout the term of this Agreement, Franchisee shall either devote Franchisee's full time and effort to actively managing the Licensed Business or delegate its management to a responsible person. Notwithstanding any delegation of authority hereunder, Franchisee shall reserve and exercise ultimate authority and responsibility with respect to the operation and management of the Licensed Business. If Franchisee employs a Manager to run the day-to-day operations, the Manager shall be required to attend and successfully complete Franchisor's training program prior to taking over full day-to-day responsibilities, at no additional charge. However, Franchisee shall be solely responsible for all travel and living costs of trainees. Franchisee shall devote such time and effort to the Licensed Business as Franchisee determines but shall reserve and exercise ultimate authority and responsibility with respect to the operation and management of the Licensed Business.

7.03 Retail Prices.

Franchisor may establish the maximum prices and pricing strategies for products and services to the greatest extent permitted by law. However, Franchisee may set prices lower than maximum pricing established by Franchisor but may not exceed the maximum pricing.

7.04 Compliance with Laws.

Franchisee shall be solely responsible, at Franchisee's sole cost and expense, for obtaining and maintaining all necessary or required permits and licenses to operate the Licensed Business. Franchisee is solely responsible for strictly complying with each law, ordinance and regulation applicable to the Licensed Business, including, but not limited to, licensing, health, safety, environmental, consumer and labor regulations. Franchisee shall timely pay all applicable taxes as they come due but may challenge the amount or applicability thereof; provided, that Franchisee hereby agrees to indemnify, hold harmless and defend Franchisor from all liabilities for taxes based upon Franchisee's operations.

7.05 Franchisee Business Operation.

Franchisee understands and acknowledges that every detail of the System and of the operation of the Licensed Business is important to Franchisee, Franchisor and other **GoliathTech** franchisees to maintain and further develop high and uniform operating standards, to increase the demand for products sold by Franchisor and all franchisees, to enhance the image of Franchisor and the Marks, and to protect Franchisor's reputation and goodwill. Therefore, Franchisee agrees that:

7.05.01 Compliance with Manual. Franchisee shall operate the Licensed Business in conformity with such uniform methods, standards and specifications as Franchisor may prescribe, in the Manual or otherwise, to ensure that the highest degree of quality and service is uniformly

maintained. Franchisee shall acquire and maintain, at all times, all equipment required by Franchisor for operation of the Licensed Business. Franchisee shall offer all of the goods and services designated by Franchisor and no others without the written consent of Franchisor, which consent Franchisor may withhold for any reason.

7.05.02 Image. Franchisee shall, at all times, work to protect and enhance Franchisor's image and, specifically, shall maintain employees or workers in the Licensed Business whose appearance, attire, attitude, reputation and demeanor are consistent with Franchisor's image. Franchisee acknowledges and agrees that Franchisor shall have sole discretion in determining what constitutes Franchisor's image, and further acknowledges that said image is constantly evolving as markets change and evolve.

7.05.03 Business Dealings. Franchisee shall not, at any time, engage in any business dealings in relation with the Licensed Business or the Franchise which are unethical, dishonest or otherwise could cause harm to the Marks, Franchisor, the goodwill associated with the Marks, or to any customer or vendor of Franchisee.

7.05.04 Maintenance. Franchisee shall, at Franchisee's sole cost and expense, maintain the Premises, inside and out, in the highest degree of sanitation, repair and condition, and in connection therewith shall make such additions, alterations, repairs and replacements thereto (but no others without Franchisor's prior written consent) as may be required for that purpose, including without limitation, such periodic cleaning, repainting, repairs to impaired equipment and replacement of obsolete signs and equipment as Franchisor may reasonably direct.

7.05.05 Advisory Committees. Franchisee shall participate, at Franchisee's sole expense, in local, regional and national franchisee advisory committees or councils if established or sanctioned by Franchisor.

7.05.06 Business Verticals. Franchisee shall make its best efforts to market Franchisor's products to all potential channels and business types as Franchisor may direct. Any effort by Franchisee to offer product to any one specific channel or customer type to the exclusion of all others is a material breach of this Agreement.

7.06 Restrictions on Sources of Products and Services.

7.06.01 Specifications. As to all equipment, supplies and inventory necessary to operate the Licensed Business, except as otherwise specified herein, Franchisee must purchase them from Franchisor or from an approved supplier, and must meet Franchisor's specifications, if any. The current list of Items subject to specifications is included in the Manual. Franchisor reserves the right to change the list of Items that Franchisee must purchase in accordance with specifications. Franchisor reserves the right to require Franchisee to purchase only from suppliers that Franchisor has approved.

7.06.02 Delivery of Goods. Franchisor agrees to act in good faith and make commercially reasonable efforts to deliver the goods ordered by the franchisee within a commercially reasonable time. Franchisor shall not be held responsible for unavoidable circumstances which could delay delivery in a timely fashion.

7.06.03 Items Bearing Marks and Proprietary Items. Franchisee shall purchase only from Franchisor or a supplier approved by Franchisor all Items used to start or operate the Licensed Business that contain or bear the Marks or that are proprietary to Franchisor. In addition,

Franchisee shall purchase from a supplier approved by Franchisor, all signs used to identify the Licensed Business.

7.06.04 Other Suppliers. Franchisor will approve other suppliers of non-proprietary items if Franchisee or the supplier requests the approval in writing and if the supplier demonstrates to the satisfaction of Franchisor that it is financially capable and can provide Item(s) or service(s) that meet Franchisor's standards and that it is willing and able to protect Franchisor's proprietary information. Franchisor may charge a reasonable fee to cover its costs in evaluating a proposed supplier. Franchisor will normally make its decision within thirty days after it receives all of the requested information and any requested samples. Franchisor reserves the right to withdraw approval of any supplier whose performance falls below Franchisor's standards.

7.06.05 Unspecified Products. Franchisee may obtain any Item used in the Licensed Business that Franchisee is not required to purchase in accordance with specifications or from an approved supplier from any source, so long as the Item is consistent with Franchisor's image. Should Franchisor later publish specifications or require use of an approved supplier, Franchisee shall comply with that requirement.

7.06.06 Inventory. Franchisee shall, at all times, maintain a sufficient inventory of Items so that the Licensed Business can operate at maximum capacity.

7.06.07 Training and Other Services. Certain services may be available to Franchisee only through Franchisor or an affiliate, including mandatory training. Franchisee will be required to pay the usual price for any of these services, unless otherwise provided in this Agreement.

7.06.08 Proprietary Items. Proprietary Items are Items that contain one or more unique characteristics which are either not known to the construction industry or which are subject to protection as intellectual property or Trade Secrets, and can include packaging, trademarks or containers. Patented or patentable Items are Proprietary Items. Franchisor or its Affiliate(s) may develop Proprietary Items. Franchisor or an Affiliate will (i) manufacture, supply and sell Proprietary Items to franchisees of Franchisor, and/or (ii) disclose the formula for and methods of preparation of the Proprietary Items to one or more supplier(s) who will be authorized by Franchisor to manufacture Proprietary Items to Franchisor's precise specifications and sell Proprietary Items to franchisees of Franchisor and/or (iii) license Franchisee to use them pursuant to this Agreement. If required, Franchisee shall purchase and use Proprietary Items from Franchisor or from supplier(s) so authorized by Franchisor. Franchisor or its Affiliate(s) will derive revenue and profits from Franchisee's purchases of any Proprietary Items. Franchisor or its Affiliate(s) may distribute Proprietary Items through alternative channels of distribution, including near Franchisee's location.

7.07 Minimum Hours.

The normal hours of operation shall be Monday through Friday, 7 a.m. – 4 p.m., subject to seasonal and holiday adjustments; however, Franchisor, in its sole discretion may, from time to time specify different hours of operation. Franchisee may request different hours for good cause. The dates and hours of operation may not be the same for all Licensed Businesses or all franchisees, even in the same general area, because of local conditions. Franchisee shall have not less than ten business days to adjust to any increase in the minimum hours required by Franchisor for Franchisee's location.

7.08 Signs.

Franchisee agrees to obtain, install and maintain on the Premises and on certain vehicles used in the Licensed Business, appropriate signs bearing the Marks as specified by Franchisor. Any deviation from the required signage shall be subject to Franchisor's approved marketing firm prior written approval.

7.09 Communications Equipment and Systems.

Franchisee shall purchase and use in the Licensed Business communications equipment or systems and service as required by Franchisor and shall update or replace such equipment, systems and service as required, but Franchisor will not require replacement more than once per year. Except as otherwise required or permitted by this Agreement or by applicable law, Franchisee shall use only the communications systems designated by Franchisor in communicating with Franchisor and other franchisees relating to the Licensed Business. Franchisor shall have a proprietary interest in all communications made through any communications systems maintained or provided by Franchisor. Franchisee acknowledges that the provisions of this paragraph 7.09 are reasonable and necessary and beneficial to the **GoliathTech** franchise system. Franchisee shall monitor and respond to all communications in a timely manner as specified in the Manual.

7.10 Equipment Maintenance.

Franchisee shall be solely responsible, at Franchisee's cost and expense, for maintaining, repairing, and replacing, when appropriate, all equipment required, recommended, or permitted pursuant to this Agreement.

7.11 Warranties.

Franchisee shall not represent to any customer or the public that Franchisor provides any warranty as to the quality of any product or service, unless Franchisor has specifically authorized such warranty in writing. If Franchisee offers any warranties, they shall be in writing and shall clearly state, both in the warranty and in any promotional or advertising materials, that the warranty is available and will be honored only by Franchisee. Franchisee hereby indemnifies, holds harmless and agrees to defend Franchisor, its related companies and all other **GoliathTech** franchisees from any and all claims of whatever nature arising from any such additional warranties made by Franchisee. Franchisee shall participate in and comply with any warranty program that Franchisor may adopt from time to time.

7.12 No Pirating of Personnel.

During the term of this Agreement and for a period of two (2) years following Termination or Non-renewal of this Agreement for any reason whatsoever, Franchisee shall not: (a) induce, or attempt to induce any employee of Franchisor, an Affiliate or of any other franchisee to leave their current employer; (b) without the prior written approval of Franchisor (which may be conditioned upon the prior written approval of another franchisee and other proper conditions) hire or associate or offer to hire or associate any employee of Franchisor, an Affiliate, or of any other franchisee; or (c) without the prior written approval of Franchisor (which may be conditioned upon the prior written approval of another franchisee and other proper conditions) hire or associate or offer to hire or associate any former employee of Franchisor, an Affiliate, or of any other franchisee, who has, voluntarily or otherwise terminated his or her relationship with Franchisor, an Affiliate, or any other franchisee during the prior eighteen (18) calendar months. The terms of this Paragraph 7.12 shall

survive the termination, expiration or non-renewal of this Agreement for any reason for a period of two (2) years. Any waivers of this Paragraph 7.12 must be in writing and signed by the Franchisors.

7.13 Marketing.

Franchisee shall, at all times, comply with the Manual in all advertising. Franchisee shall not use television, radio or Internet advertising unless in full compliance with the Manual.

7.13.01 Franchisee shall obtain approval from Franchisor's approved marketing firm prior to releasing any marketing materials.

7.14 Marketing Outside of Territory.

Except as specifically permitted by the Manual, Franchisee shall not engage in marketing outside of Franchisee's Territory.

7.15 Internet/Social Media Activities

Franchisor maintains a website that provides information about the System, the products and services offered by franchisees and has sole discretion and control over it. Franchisor has the sole right to create interior pages on the website(s) that contains information about GoliathTech businesses. Franchisee may not establish a presence on, or market using, the Internet without Franchisor's prior written consent. Franchisor retains the sole right to advertise or use the Marks on the Internet. Franchisor retains ownership of Franchisee's Facebook page(s), Facebook groups and communities, Google, Yahoo, Bing, Yelp, and any other online business profile pages. Franchisor may require Franchisee to provide content for Franchisor's Internet marketing pages. Should Franchisee's internet presence become inactive or fail to comply with system standards, Franchisor may assume control of all internet activities for your Goliathtech business. You must comply with our intranet and Internet usage rules, style guide, and requirements. You must comply with Franchisor's Social Media Policy and guidelines as they may be amended or modified from time to time.

7.16 New Developments.

Franchisor shall be the sole and exclusive owner of all new developments, including, but not limited to, inventions, methods, products, ideas, formulas, research results, equipment, photographs, ideas, patents, intellectual property, inventions, and otherwise (collectively, "New Developments"), that Franchisee develops or has any role in developing that relate to the Licensed Business. Franchisee shall immediately disclose any and all such New Developments to Franchisor and shall execute any documents necessary, in Franchisor's opinion, to consummate the transfer of all ownership rights therein. The mutual covenants of this Agreement are sufficient consideration for such transfers. Franchisor shall not, otherwise, be required to compensate Franchisee for such new developments.

7.17 Staffing Requirements.

Franchisee shall, at all times, comply with the minimum staffing requirements specified in the Manual. Each Manager shall, at all times meet or exceed the qualifications set forth in the Manual.

7.18 Minimum Purchase Requirements.

Franchisee shall meet its Minimum Purchase Requirement pursuant to paragraph 1.05 herein.

7.19 Manufactured Home Installer Program.

Franchisor has instituted a program wherein it will enter into direct relationships with selected manufactured home installers (each an "MHI") in Franchisee's Territory. Franchisee will solicit MHIs within its Territory and present them to Franchisor for participation in the program (the "MHI Program"). Franchisor shall have sole discretion to determine acceptance of an MHI into the MHI Program. Franchisee shall have the right to continue to service customers regarding manufactured home installation in its Territory. Upon acceptance into the MHI Program, Franchisor will enter into an agreement with the MHI and will sell product directly to the MHI and provide certain services to the MHI. Franchisee shall receive a monthly commission payment based on Franchisor's direct invoiced and collected product sales to the MHI equal to the difference between Franchisee's cost of product on the most current Franchisee price list and the MHI purchase price as may be determined by Franchisor from time to time. Franchisor shall have sole control of the MHI product purchase price. Franchisee may not sell product directly to an MHI but may purchase product for installations of manufactured homes performed directly by Franchisee. Franchisor has the right to discontinue or modify the MHI Program at its sole discretion.

7.20 Obligation to Notify Franchisor of Claims.

You must immediately ("within 24 hours") notify Us if any legal proceeding(s) (civil or criminal) are initiated against You. Failure to immediately notify Us of such an event, is a material default of this Agreement, and We shall have the right to immediately terminate the Franchise Agreement. All amounts owing to Us at the time of termination of the Franchise Agreement under such circumstances above noted, would become immediately due to Us. This provision shall survive termination of the Franchise Agreement.

7.21 Communication With Franchisor and Customers.

Franchisee shall at all times treat Franchisor's employees and representatives and Franchisee's customers with utmost respect and refrain from verbal abuse, or use of profanity in all communications, including oral, written or electronic. Franchisor must uphold Franchisor's customer service standards including, but not limited to promptly responding to customer inquiries and providing estimates to all potential customers that request same. The foregoing requirement is a material term of this Agreement and a breach of this Section 7.21 shall constitute an event of default pursuant to Section 15.01.

Article 8 - Indemnity and Insurance

8.01 Indemnity.

Franchisee shall defend, hold harmless and indemnify Franchisor, its officers, directors, shareholders, agents, attorneys, employees, landlords and related companies from any and all losses, claims, damages, liabilities, or expenses of any kind or nature, including fines, penalties, interest, attorneys' fees, and all other types of costs or expenses, arising directly or indirectly from the acts or omissions (whether or not negligent or wrongful) of Franchisee or of any of Franchisee's manager(s), employees or agents in connection with the performance or breach of

any obligation under this Agreement. Franchisor shall indemnify and hold harmless Franchisee, its officers, directors and shareholders from any losses, claims, damages, liabilities or expenses of any kind or nature, arising from the wrongful acts or omissions of Franchisor in connection with the performance or breach of any obligation under this Agreement.

8.02 Insurance.

Franchisee shall purchase and maintain, at Franchisee's expense, throughout the term of this Agreement commercial general liability insurance, including bodily injury, property damage, personal injury, advertising injury, non-owned automobile, loss of business income, and broad form contractual coverage for liability assumed under this Agreement. Such insurance shall be on an occurrence basis and shall consist of combined single limit coverage of at least $2,000,000 per occurrence/$2,000,000 annual aggregate. Franchisee shall purchase and maintain worker's compensation and employer's liability insurance with a reputable insurer acceptable to Franchisor or with a state agency. Franchisee shall provide Franchisor with one or more certificates of insurance evidencing such coverages and naming Franchisor as an additional insured as to each applicable policy. Such certificate(s) of insurance shall provide that the coverages under the respective policy(ies) may not be modified (except to increase coverage) or canceled until at least thirty (30) days prior written notice of such cancellation or modification has been given to Franchisor. Upon request by Franchisor, Franchisee shall provide Franchisor with a true copy of any insurance policy, including all endorsements. Every insurance policy of Franchisee required by this Agreement shall provide that coverage is primary/non-contributory. Every insurance policy shall be with an insurance company that meets Franchisor's criteria as set forth in the Manual. Franchisee shall furnish Franchisor with a copy of its Certificate of Insurance within thirty (30) days of the renewal of Franchisee's insurance policies. Franchisee's failure to furnish the Certificate of Insurance within seven (7) days of Franchisor's written request therefore is a material breach of this Agreement.

Article 9 – Renewal

9.01 Conditions of Renewal.

After expiration of the term of this Agreement, if Franchisor has made a business decision, in Franchisor's sole discretion, to continue the **GoliathTech** Franchise System in Franchisee's area, Franchisee will be permitted to renew Franchisee's Franchise Agreement for an additional 5-year term, but only upon the following terms and conditions:

9.01.01 Franchisee must be current in payment of all fees and charges to Franchisor and any of its related companies and must not have made more than two late payments within the last three years for which Franchisor gave written notice(s) of breach, which notice(s) were not withdrawn by Franchisor;

9.01.02 Franchisee must not be in material breach of this Agreement or of any other agreement between Franchisor and Franchisee and must have substantially complied with the operating standards and other criteria contained in the Manual or otherwise communicated in writing by Franchisor;

9.01.03 Franchisee shall pay a renewal fee as established at the time by Franchisor, but which shall be not more than 25% of the then-current Initial Fee, payable in full at the time of execution of the Franchise Agreement referred to in sub-paragraph 9.01.04;

9.01.04 Franchisee shall have met the Minimum Purchase Requirement at the time of renewal;

9.01.05 Franchisee shall execute the then current form of Franchise Agreement, which may differ in material ways that are not reasonably foreseeable at this time, but may include material differences in territorial boundaries and economic terms, including the amount of Local Marketing Fees and Marketing Fees or entirely new categories of fees or mandatory expense;

9.01.06 Franchisee must maintain possession of the Premises identified in Addendum A for the renewal term or obtain reasonable substitute premises;

9.01.07 Franchisee, at Franchisee's sole cost and expense, shall refurbish signs and equipment to be consistent with the then current image of the System and to meet Franchisor's then current specifications;

9.01.08 Franchisee shall give written Notice to Franchisor at least thirteen months, but not more than eighteen months, prior to the end of the term of this Agreement of Franchisee's desire to renew; and

9.01.09 Franchisee must not, during the preceding term, have engaged in any business dealings in relation with the Licensed Business or the Franchisee which are unethical, dishonest or otherwise could cause harm to the Marks, Franchisor, any other franchisee, the goodwill associated with the Marks, or to any customer, client or vendor of Franchisee, Franchisor or of another franchisee.

Article 10 – Continuation

If, following the termination or expiration of this Agreement for any reason, whether voluntary or involuntary, Franchisee continues to operate the Licensed Business or occupy the Premises with the express or implied consent of Franchisor, but without a renewal franchise agreement, such continuation shall constitute a month-to-month extension of this Agreement and shall be terminable by either party upon the lesser of (a) thirty (30) days written notice or (b) such shorter notice by Franchisor as would otherwise be applicable in a termination for cause. Franchisee acknowledges and agrees that such continuation shall be good cause for termination of this Agreement. Both parties shall continue to be subject to all terms of this Agreement during any such continuation period.

Article 11 - Entity Franchisee

11.01 Entity Definition.

An "Entity" is any form of business organization except for a sole proprietorship and includes all kinds of corporations, limited liability companies, limited partnerships and general partnerships and any other form of business organization involving either multiple equity owners or which attempts to provide limited liability.
Founding Document Restriction.

If Franchisee is an Entity or becomes an Entity or if Franchisee transfers Franchisee's interest under this Agreement or any interest in the Licensed Business to an Entity, the founding document(s) of the Entity must provide as follows:
This _____[insert type of Entity, i.e. *Inc., LLC*] shall not enter into any agreement or undertaking which would, directly or indirectly, limit any of the rights or obligations of the

_____ [insert type of Entity] or of any owner of the [insert type of entity] under the **GoliathTech** Franchise Agreement dated _____ ,____. Any such agreement or undertaking is void.

11.02 Liability of Owner(s).

Every owner of an equity or other interest in any Entity franchisee (and any individual person who is an owner of an Entity which owns any equity interest in any Entity franchisees) shall personally guaranty this Agreement. Any change in or addition of equity or other owner(s) shall be subject to the Assignment and Death and Incapacity provisions of this Agreement.

11.03 Restriction on Certificates of Ownership.

Each and every document, if any, issued by any Entity franchisee evidencing ownership of an equity or other interest in the Entity must provide as follows:
Ownership of this _____ [insert type of Entity] is restricted and cannot be transferred, assigned, sold or encumbered except in strict compliance with the **GoliathTech** Franchise Agreement dated _____, _____. Any other transfer or attempted transfer is void.

11.04 Additional Requirements of Entity Franchisee.

Franchisee shall, upon Franchisor's request, provide Franchisor or its designee with true copies of such of Franchisee's Entity records and documents as Franchisor shall designate. An Entity Franchisee shall, at all times, have one individual person who shall be the designated principal who shall have authority to act on behalf of the Entity in all respects under this Agreement. The designated principal shall be the individual who is responsible for assuring compliance by the Entity with all of the terms of this Agreement. Notwithstanding the requirement of a designated principal, Franchisor shall be entitled to rely upon the acts or words of any principal, employee or agent of an Entity Franchisee whom Franchisor understands to be acting or speaking on behalf of the Entity.

Article 12 - Assignment or Transfer

12.01 Prior Consent.

Franchisee shall not assign, transfer, sell, sublease, sublicense or encumber (hereinafter collectively referred to as "Assign" or "Assignment"), in whole or in part this Agreement, the Franchisee, the Licensed Business, any option or first right of refusal relating to this Agreement, the Franchisee or the Licensed Business, the assets of the Licensed Business or the leasehold of the Licensed Business or represent to any person that such an Assignment has been made without Franchisor's prior written approval. For purposes of this Paragraph 12.01, the terms "Assign" or "Assignment" shall include any assignment, transfer, sale or encumbrance of any shares of stock of a Franchisee that is a corporation, any partnership interest of a Franchisee that is a partnership, any membership interest of a Franchisee that is a limited liability company, and any equity or ownership interest or rights in any other form of entity. Any attempted Assignment without Franchisor's prior written consent shall be void and a breach of this Agreement.

12.02 Conditions of Assignment.

As preconditions for obtaining Franchisor's consent to an Assignment, at least the following terms

and conditions must be met:

12.02.01 Franchisee must be current in payment of all fees and charges to Franchisor and any of its related companies;

12.02.02 Franchisee must not be in material breach of this Agreement or of any other agreement between Franchisor and Franchisee;

12.02.03 Franchisee must have paid in full all debts in connection with the Licensed Business;

12.02.04 The assignee must have agreed to assume all of the obligations of the Licensed Business;

12.02.05 The assignee must execute a disclosure form containing a waiver and release of any claim against Franchisor for any amount(s) paid to, or representation(s) made by Franchisee or any omission by Franchisee to disclose facts, material or otherwise;

12.02.06 Franchisee must execute, at Franchisor's option, a mutual termination of this Agreement and a general release, or an assignment of this Agreement and a general release, and an agreement to defend, hold harmless and indemnify Franchisor from any claim by the assignee in form specified by Franchisor, the current version(s) of which are attached as Addendum F;

12.02.07 The assignee must pay to Franchisor a Transfer Fee in the amount of 20% of the then-current Initial Fee and execute, at Franchisor's option, the then current form of Franchise Agreement or an assumption of this Agreement for the balance of the term hereof. In either of the foregoing, the assignee shall assume the transferring Franchisee's then-effective Minimum Product Purchase Requirement. For example, if the Franchise Agreement is assigned in Year 4, the assignee's Minimum Product Purchase Requirement shall be the Minimum Product Purchase Requirement for Year 4 in the assignor's Franchise Agreement. On the date of assignment, the assignee shall assume the assignor's remaining term of the Franchise Agreement;

12.02.08 The assignee must, in the sole opinion of Franchisor, successfully complete the then current initial training program at the assignee's sole cost and expense;

12.02.09 The assignee must have met the then current standards of Franchisor for experience, financial strength, reputation and character required of new or renewal Franchisees;

12.02.10 The assignee must obtain such approvals as may be required to assume occupancy and possession and the continuing obligations relating to the lease or possession of the Premises, unless a new location has been approved in writing by Franchisor; and

12.02.11 Franchisor must have been given at least thirty (30) business days written first right of refusal by Franchisee, upon the same terms as those agreed upon by Franchisee with any proposed assignee; provided, however, Franchisor may substitute cash of equivalent value for any non-cash term. In the event Franchisor waives or fails to exercise its right of first refusal, if Franchisee thereafter agrees to accept a revised offer, regardless of the nature of the revision, Franchisor shall have a new right of first refusal hereunder on the new terms.

12.03 Assignment to an Entity.

Notwithstanding the foregoing, if Franchisee is an individual, Franchisee may assign this Agreement to an Entity, as defined in Article 11, formed under the laws of the state where the Licensed Business is located, which is wholly owned by Franchisee; provided that the individual Franchisee shall first provide written notice of the assignment to Franchisor and shall personally guarantee the performance of this Agreement. If Franchisee is an Entity, Franchisee may assign this Agreement to another Entity, formed under the laws of the state where the Licensed Business is located, of the same or different form, which has exactly the same ownership, including percentages of ownership as Franchisee; provided that each of the individual equity or other owners of the new Entity shall personally guarantee the performance of the Agreement. The personal guarantee shall be in the form of Addendum D hereto. No assignment under this paragraph shall change or limit the liability of any person or entity under this Agreement. Franchisee shall pay to Franchisor a processing fee of five hundred dollars ($500) for an assignment pursuant to this paragraph 12.03.

12.04 Approval Process.

Franchisor may use its own discretion in approving or rejecting prospective transferees in the same manner as if it was approving or rejecting any other new prospective franchisee, taking into consideration such factors as their financial ability, character, business reputation, experience and capability to conduct the type of business involved. The approval of one Assignment does not obligate Franchisor to approve any other or subsequent Assignment. If Franchisee is an Entity, notwithstanding any statute or agreement to the contrary, the addition, withdrawal or expulsion of any equity or other owner or the transfer, encumbrance or assignment of any equity or ownership or control interest of any equity or other owner or the dissolution or reorganization of the Entity for any reason is subject to the same considerations as any other Assignment.

12.05 Transfer by Franchisor.

There shall be no restriction upon Franchisor's right to encumber, transfer or assign this Agreement or the System. Following such a transfer or assignment, Franchisor shall have no further obligation or liability to Franchisee hereunder or otherwise so long as the assignee or transferee agrees to assume all of Franchisor’s liabilities and obligations to Franchisee. Upon Franchisor’s request, Franchisee shall execute and deliver a certificate to Franchisor, as described in Paragraph 21.05, in connection with an anticipated transfer or financing procedure by Franchisor. Franchisee agrees to accept any transferee of Franchisor, including any sub-franchisor and perform for such transferee the same as for Franchisor.

12.06 No Sublicensing.

Franchisee shall not, directly or indirectly, sublicense or attempt to sublicense the Marks or the System or any part thereof to any person or entity for any purpose. Any attempted or purported sublicense shall be void.

Article 13 - Death or Incapacity

13.01 Alternatives upon Death or Incapacity.

In the event of the death or incapacity of an individual franchisee, or of any individual equity or other owner of an Entity franchisee, the heirs, beneficiaries, devisees or legal representatives of said individual shall, within ninety (90) days of such event:

13.01.01 Apply to Franchisor for the right to continue to operate the franchise and the Licensed Business for the duration of the term of this Agreement and any renewals hereof, which right to continue to operate will be granted upon the fulfillment of all of the conditions set forth in Article 12 of this Agreement (except that no transfer fee shall be required); or

13.01.02 Sell, transfer or convey Franchisee's interest to a third party in compliance with the provisions of Article 12 of this Agreement; provided, however, in the event a proper and timely application for the right to continue to operate has been made and rejected, the ninety (90) days to sell, transfer or convey shall be computed from the date of said rejection. For purposes of this paragraph, Franchisor's silence on an application to continue to operate through the ninety (90) days following the event of death or incapacity shall be deemed a rejection made on the last day of such period.

13.02 Effect of Failure to Comply.

In the event of the death or incapacity of an individual franchisee, or any owner of an equity or other interest in an Entity franchisee where the provisions of this Article have not been fulfilled within the time provided, all rights granted to Franchisee under this Agreement shall, at the option of Franchisor, terminate and the parties shall proceed according to and have the rights provided for in Articles 17 and 18.

13.03 Incapacity Defined.

For purposes of this Agreement, "incapacity" is the inability of Franchisee to operate or oversee the operation of the Licensed Business on a regular basis and in the usual manner by reason of any continuing physical, mental or emotional disability, chemical dependency or other similar limitation which has continued or will more likely than not continue for a period of 60 consecutive days or more. Franchisee shall advise Franchisor in writing, immediately, upon receipt of advice from any physician or other professional that Franchisee or a principal of an Entity franchisee is incapacitated. However, Franchisee's failure or inability to advise Franchisor of Franchisee's incapacity shall not limit Franchisor's rights under this sub-paragraph. Any dispute as to the existence of an incapacity as defined herein shall be resolved by majority decision of three (3) licensed medical physicians practicing in the state in which the Licensed Business is located, with each party selecting one (1) physician, and the two physicians so designated selecting the third physician. The determination of the majority of the three physicians shall be binding upon the parties and all costs of making said determination shall be borne by the party against whom it is made. Notwithstanding the foregoing, if any insurance company pays to the Franchisee or Franchisee's Entity any disability benefits for 60 consecutive days, or more, of disability, the Franchisor may regard that as conclusive evidence of incapacity.

Article 14 - Successors and Assigns

This Agreement shall bind and inure to the benefit of the successors, permitted transferees and assigns, personal representatives, heirs and legatees of the parties hereto.

Article 15 – Termination

Franchisor may terminate this Agreement as follows:

15.01 Franchisor may terminate this Agreement upon at least thirty days' notice and opportunity

to cure (or longer if required by law) if Franchisee is in breach of any term of this Agreement or of any other agreement between Franchisee and Franchisor or any affiliate of Franchisor.

15.02 Franchisor may terminate this Agreement upon at least 72 hours' notice and opportunity to cure (or longer if required by law) for occurrence of any one or more of the following events (each of which Franchisee acknowledges is good cause for termination and a material breach of this Agreement), notwithstanding that Franchisor may have the option to give a longer notice and cure period pursuant to other provisions of this Agreement:

i. Franchisee fails to pay or deposit when due, and in the manner prescribed by Franchisor, any moneys owed to Franchisor or any of its related companies or to another **GoliathTech** franchisee;

ii. Franchisee files a voluntary petition in bankruptcy or has an involuntary petition filed against Franchisee, Franchisee makes an assignment for the benefit of creditors, or a receiver or trustee is appointed;

iii. Franchisee violates or attempts to violate any of the Assignment provisions of this Agreement;

iv. Franchisee vacates, deserts, or otherwise abandons all or any substantial portion of the Premises or equipment, or abandons the Licensed Business for more than 24 hours (whether or not Franchisee intends to abandon);

v. Franchisee sublicenses or attempts to sublicense the Marks or the System in violation of this Agreement;

vi. Franchisee is an Entity and an impasse exists between equity or other owners or there is any change in the ownership of any interest in the Entity without having first complied with the provisions of this Agreement;

vii. Franchisee fails to timely permit any audit or inspection by or on behalf of Franchisor;

viii. Franchisee violates or fails to comply with any law, rule, regulation, ordinance or order relating to the operation of the Licensed Business (including any health codes, rules or regulations) or fails to obtain and continue any license, permit or bond necessary, in Franchisor's opinion, for Franchisee's operation of the Licensed Business;

ix. Franchisee is convicted of or pleads guilty or "Nolo Contendere" to any felony;

x. Franchisee fails to operate the Licensed Business under the Marks or fails to properly display the Marks at all times in full compliance with this Agreement and the Manual;

xi. Franchisee engages in any business dealings in relation with the Franchise, the Licensed Business or the Franchisee which are unethical, dishonest or otherwise could cause harm to the Marks, the System, Franchisor, other franchisees, the goodwill associated with the Marks, or to any customer, client or vendor of Franchisee or any other franchisee or the Franchisor;

xii. Franchisee fails or refuses to timely execute and deliver a truthful certificate pursuant to paragraph 20.05;

xiii. Franchisee fails to maintain insurance or workers compensation coverage;

xiv. Franchisee fails to open for business within four (4) months of the signing of the Franchise Agreement;

xv. Any other agreement, including any other Franchise Agreement to which Franchisee is a party, between Franchisee and Franchisor or between Franchisee and any of Franchisor's related companies is terminated for cause; or

xvi. Franchisee fails to meet its Minimum Purchase Requirement pursuant to paragraph 1.05.

15.03 Franchisor may terminate this Agreement without giving notice or opportunity to cure upon occurrence of any one or more of the following events (each of which Franchisee acknowledges is good cause for termination and a material breach of this Agreement), notwithstanding that Franchisor may have the option to give a longer notice and a cure period pursuant to other provisions of this Agreement:

i. Upon three willful and material breaches of the same term of this Agreement occurring within a twelve-month period;

ii. Franchisee is adjudicated a bankrupt or insolvent;

iii. Franchisee makes an assignment for the benefit of creditors or similar disposition of the assets of the Licensed Business;

iv. Franchisee voluntarily abandons the Licensed Business; or

v. Franchisee is convicted of or pleads guilty or no contest to a charge of violating any law relating to the Licensed Business.

vi. Franchisee's failure to timely provide any reports required by Section 3.01 within seven (7) days' notice of said default by Franchisor;

vii. Franchisee's failure to provide a valid Certificate of Insurance on an annual basis within thirty (30) days of the policy renewal date as required by Section 8.02 within seven (7) days' notice of said default by Franchisor.

viii. Franchisee's failure to provide a Certificate of Insurance to Franchisor within 30 days of policy renewal within seven (7) days of Franchisor's notice.

ix. Franchisee's failure to provide an annual balance sheet and profit and loss statement within ninety (90) days of Franchisee's fiscal year end within seven (7) days of Franchisor's notice.

15.04 Notwithstanding any right of Franchisor to terminate this Agreement, pursuant to this Agreement or otherwise, Franchisor may, in Franchisor's sole discretion, elect to not terminate this Agreement and to, in lieu thereof, impose limitations on Franchisee, including, but not limited to, revocation of Franchisee's Territorial rights, and revocation of Franchisee's rights to acquire or offer and sell certain products and services. Franchisor's election to not terminate this Agreement pursuant to this paragraph shall not constitute an election of remedies and Franchisor may, thereafter, terminate this Agreement on account of the same or any other event(s) of default

as set forth herein.

Article 16 - Competition with Franchisor

16.01 Competing Business Activities during Term.

Each of the franchisee, the designated operator of any partner, director, officer, director or shareholder of the franchisee and anyone with any interest of any nature whatsoever, direct or indirect, in the franchisee covenants and agrees hereby will not, directly or indirectly, either for himself or on behalf of or in conjunction with any other person, partnership, association or corporation, own, maintain, engage in, lend money, lend his name, endorse any debt or obligation, assist or assistance, to be used, perform, participate in or have an interest of any nature whatsoever to, or in any business of which all or a portion substantial activity is in operation, the concession and / or franchising a business of manufacturing and installation of helical piles or structural support systems that are similar in design to the helical piles we manufacture and sell to You.

16.02 Competing Business Activities after Term.

During the Term and for a period of two (2) years after any termination, expiration, or non-renewal of this Agreement, each of the Franchisee, the designated operator or manager of Franchisee, any shareholder, director, officer, director or shareholder of the Franchisee or any person with any interest, direct or indirect, of any kind, in the Franchisee, for its own account or through, on behalf of, or in conjunction with any person or entity agrees not to:

16.02.01 divert or attempt to divert, directly or indirectly, any business or any current or potential customer of the franchised business Franchisee, Franchisor, or any other GoliathTech franchisee to any competitor;

16.02.02 employ or seek to employ any person who, at that time or at any time during the six (6) months earlier, is or was employed by the Franchisor or by one of its franchisees, or otherwise encourage, directly or indirectly, such person to leave his job, except with the prior written consent of the franchisor and employer of that person;

16.02.03 use for any purpose other than for the sole purpose of the operation of the franchised business, disclose or communicate to any person other than the franchisor, for any reason whatsoever, unless forced to do so by a specific law or by court order, any confidential information relating to the affairs of the franchised business, the franchisor or other franchisees of the Franchisor or the contents of the Operations Manual, the present provision to customers, suppliers, price lists, competitors, samples, trade secrets, market studies and other accounting data, all rights reserved, names and addresses of employees, description of equipment and affairs of the franchised business, the franchisor and any another franchisee of the franchisor;

16.02.04 engage in the business of the sale or installation of helical piles or structural support systems that are similar in design to the helical piles we manufacture and sell to You, within the Franchisee's Territory or former Territory or within a 25-mile radius of the Territory.

16.02.05 Franchisee acknowledges and agrees that the periods of time of this covenant and the geographical areas of restriction imposed by this covenant are fair and reasonable and are reasonably required for the protection of Franchisor and its franchisees. Franchisee would desire at least this same protection against competitive activities by another former franchisee whose

franchise agreement was either expired, terminated or non-renewed. Franchisee agrees that, in the event a court or arbitrator should determine any part of this covenant to be excessively broad, unenforceable, and/or invalid, the remaining parts hereof shall nevertheless continue to be valid and enforceable as though the invalid portions were not a part hereof. Franchisee further agrees that, in the event that any of the provisions of this Agreement relating to the geographic area of restriction or the periods of time of the covenants shall be deemed to exceed the maximum area or periods of time which a court of competent jurisdiction would deem enforceable, the geographic area or periods of time shall, without further action on the part of any person, be deemed to be modified, amended and/or limited, to the maximum geographic area or time periods which a court of competent jurisdiction would deem valid and enforceable in any jurisdiction in which such court shall be convened. Any such modification shall apply only in the jurisdiction of the deciding court or in the state where the arbitrator made the decision.

16.02.06 It shall not be a violation of this Article for Franchisee to have or maintain a passive investment in stock of any publicly traded corporation, provided said stock holdings shall not exceed five percent (5%) of the issued and outstanding stock of such corporation.

16.02.07 For purposes of this Agreement, all references to Franchisor shall be deemed to include: (a) any corporation or entity which acquires all, or substantially all, of the assets of Franchisor, whether by statutory merger or otherwise, (b) any corporation, partnership, or other entity directly or indirectly controlled by or under common control with Franchisor or its successor, and (c) any sub-franchisor or other assignee of Franchisor.

16.02.08 Franchisee agrees that it would be extremely difficult to prove with certainty the exact amount of damages caused to Franchisor by a violation of this Article 16 by Franchisee and therefore, Franchisee agrees that, upon proof that Franchisee violated this Article 16, Franchisor shall be entitled to liquidated damages in an amount calculated by multiplying the amount of gross revenues generated by Franchisee or a third party that benefited from the violation during the period of breach and multiplying it by 1.5. Franchisee acknowledges that this results in a reasonable estimate of what Franchisor's actual damages would be and is not a penalty.

16.02.09 Franchisee agrees that any violation of the covenants contained in this Article will cause irreparable harm to Franchisor and its other franchisees and may, as a matter of course, be restrained by process issued out of a court of competent jurisdiction, in addition to any other remedies provided by law. The parties agree that each of the foregoing covenants will be construed as independent of any other covenant or provision of this Agreement. In the event of any action for a temporary or permanent injunction to enforce this Covenant, Franchisee hereby waives any requirement of a bond or deposit to the extent that any bond or deposit would exceed one hundred dollars. The substantially prevailing party in any such enforcement action shall be entitled to recover their attorney's fees and costs incurred therein in addition to any and all other remedies.

16.02.10 Nothing in this Article 16 shall obligate Franchisor to take action to enforce this or any other covenant against competition against any other franchisee or former franchisee. Nothing in this Article 16 shall entitle Franchisee to take any action to enforce this or any other covenant against competition against any other franchisee or former franchisee.

16.02.11 The terms of this Article 16 shall survive the termination or expiration of this Agreement for any reason.

Article 17 - Effect of Termination

17.01 Loss of Rights.

After the Termination Date, Franchisee shall have no further rights to use, in any manner, the System, the Marks, anything similar to the Marks, the telephone numbers, the telephone listings, any proprietary computer software, any trade secrets or the Manual. Franchisee shall immediately notify such persons as Franchisor shall reasonably require of Franchisee's loss of rights thereto. All sums of money due from Franchisee to Franchisor or to any other **GoliathTech** franchisee as of the Termination Date shall become immediately due and payable. As between the parties hereto, whether or not a Lease Conditional Assignment Agreement has been signed, Franchisor or Franchisor's designee shall have the option, exercisable within sixty (60) days, to assume the lease for the Premises. If Franchisor elects to assume the lease for the Premises, pursuant to the Lease Conditional Assignment Agreement or otherwise, Franchisee agrees to cooperate in the transfer, to execute any documents which may be required for Franchisor or Franchisor's designee to assume the lease, and to otherwise take no actions which would interfere with the ability of Franchisor or it's designee to assume the said lease. Franchisee specifically agrees to execute such document(s) as may be necessary to transfer the telephone number(s) to Franchisor or Franchisor's designee. In the event Franchisee or any owner or affiliate of Franchisee owns the Premises, Franchisee agrees that Franchisor shall have the option to lease the Premises at fair market value for a term of up to ten (10) years, at Franchisor's election, such option exercisable by Franchisor within sixty (60) days following the Termination Date.

17.02 Change of Identity.

After the Termination Date, Franchisee shall immediately refrain from holding itself out to the public in any way as a Franchisee or affiliate of Franchisor or as a former Franchisee or affiliate of Franchisor. If directed by Franchisor, Franchisee shall, at Franchisee's sole cost and expense, make or cause to be made such changes in signs, telephone numbers, buildings or structures as Franchisor may direct to distinguish the Premises from its former appearance and from other **GoliathTech** franchisees. If Franchisee fails to make such changes within ten (10) calendar days, then Franchisor shall have the right to enter upon the Premises, without liability for trespass or otherwise, and to make or cause to be made such changes at the expense of Franchisee, which expenses shall be paid by Franchisee upon demand. Franchisee shall immediately file the appropriate forms to abandon or withdraw any assumed name certificate or to change the name of its corporation or partnership to eliminate any reference to the System or the Marks. If Franchisee fails or refuses to cooperate with Franchisor, Franchisee hereby appoints Franchisor as its Attorney in Fact to complete the changeover. Franchisee shall immediately return to Franchisor the Manual, Trade Secrets, bulletins, instruction sheets, software, forms, Marks, designs, signs, printed matter and other material containing any part of the System or the Marks together with all copies thereof (including electronic or digital copies) that are or have been within Franchisee's custody or control.

17.03 Changeover Procedure.

Upon termination of this Agreement, either by expiration, non-renewal, or otherwise, if Franchisor or Franchisor's designee has indicated its intention to assume Franchisee's lease for the Premises and to operate an **GoliathTech** business from that location, the parties agree to cooperate in the changeover of the Licensed Business to Franchisor, including by taking the steps set forth herein. If Franchisee fails or refuses to cooperate with Franchisor, Franchisee hereby appoints Franchisor as its Attorney in Fact to complete the changeover. In such case, the parties shall: notify the landlord of the change of tenancy pursuant to the Lease Conditional Assignment Agreement or

otherwise and Franchisor shall be entitled to take control of the Premises, including by changing the locks; terminate vendor accounts at Franchisor's option; conduct an inventory of all equipment, fixtures, tenant improvements, supplies and inventory (if Franchisee elects to not participate in the inventory, Franchisor's inventory shall be presumed accurate and complete); Franchisor shall have the right to use Franchisee's equipment, furniture, fixtures and related items for up to sixty (60) days and shall pay or credit Franchisee with the fair market rental value of that use; Franchisor shall be entitled to communicate directly with Franchisee's agents, employees, customers and vendors in order to facilitate a smooth transition to ownership by Franchisor or Franchisor's designee; Franchisor or it's designee shall be entitled to all Gross Revenues received after the date of termination. No action taken pursuant to this paragraph shall constitute a waiver by Franchisor of any claims against Franchisee for any reason. The parties agree that there are no circumstances justifying a stay or delay in implementation of the terms of this paragraph and the parties specifically agree that any claims, including, but not limited to, allegations of wrongful termination, can be separately resolved and that an award of damages would be an adequate remedy.

17.04 *Continuing Royalties.*

Franchisor shall be entitled to receive royalties on all Gross Revenues received or receivable by Franchisee as of the Termination Date. All such royalties shall be due and payable on the Termination Date.

17.05 *Option to Purchase Certain Assets.*

Franchisor shall have and is hereby granted an exclusive option for a period of sixty (60) days from and after the Termination Date, to purchase from Franchisee all of Franchisee's right, title and interest in all or any part of the franchise, Franchisee's Licensed Business and business assets and/or the Premises, if applicable, at the fair market value, except as otherwise specifically provided herein, of all assets purchased, but excluding any value for purported "goodwill" or "blue sky". Franchisee acknowledges that Franchisor already owns the "goodwill" or "blue sky", which is attached to the Marks and the Licensed Business. Franchisor's notice exercising the option granted herein shall contain a list, at least by major category, of the assets Franchisor is purchasing. Franchisor shall not be obligated to assume any liabilities of Franchisee.

17.06 Payment and Terms.

Franchisor shall pay to Franchisee all sums due pursuant to this Article, and any other sums required by this Agreement or by law, over a period of sixty months, or such shorter period as Franchisor, in its sole discretion, shall elect, with interest thereon at the prime interest rate as published by Bank of America or its successor, if applicable, determined as of the end of the calendar quarter immediately preceding the Termination Date.

17.07 Survival of Terms.

The terms of this Article 17 shall survive the termination, non-renewal or expiration of this Agreement for any reason.

Article 18 – Arbitration of Disputes

18.01 Agreement to Arbitrate.

Except as provided in paragraph 18.04, any controversy or claim or dispute between the parties hereto or between any party hereto and any other person arising out of or relating to this Agreement, the negotiation thereof, the offer or acceptance thereof, or the performance or breach thereof, shall be settled by arbitration administered by the Canadian Chamber of Commerce, operating as ICC Canada, as the national committee to the ICC International Court of Arbitration. This Article shall be governed by the Rules of Arbitration of the International Chamber of Commerce. Any arbitration shall be before one or more arbitrators and shall take place in the Province of Quebec, Canada. No party shall join or attempt to join their claims in a single proceeding with the claims of any other party, person or entity even if similarly situated. The parties shall bear their own expenses, including their own attorney's fees and costs and shall share equally all expenses of the arbitrator.

18.02 Conduct of Arbitration.

Unless otherwise specifically required by applicable law, demand for arbitration or proceedings in arbitration, or court proceedings shall not operate to stay, postpone, prohibit or rescind any expiration, termination or non-renewal of this Agreement as provided in this Agreement, and the parties will be limited to their remedy in damages, as determined by the court or arbitrator, for non-renewal or termination found by the arbitrator to be wrongful. Damages would be an adequate remedy for any such wrongs. The court or arbitrator shall not extend, modify, or suspend any of the terms of this Agreement or the reasonable standards of business performance set by Franchisor would likely be unenforceable.

18.03 Conditions Precedent to Arbitration.

As conditions precedent to commencing an arbitration proceeding pursuant to this Agreement, the parties shall first comply with the terms of this paragraph 18.03. Failure to comply with this paragraph shall be a material breach of this Agreement and shall entitle the non-defaulting party to an award of all of their attorney's fees and costs reasonably expended in enforcing the terms of this paragraph. Such award of attorney's fees shall be made by the court enforcing this paragraph and shall be paid by the breaching party before and as a condition precedent to further proceeding in accordance with this Article. For the limited purpose of enforcing this Paragraph 18.03, each party hereby waives arbitration and the matter shall be heard by a Court of competent jurisdiction in the judicial district of Montreal, Quebec, Canada. Within not more than sixty days following the date on which the aggrieved party first discovered or reasonably should have discovered the facts of a dispute between the parties, but not more than one year after the date of the events or facts which gave rise to the dispute, the aggrieved party shall give a Notice to the other party (and any involved other persons) of the existence of the dispute, and shall set forth, in writing, a detailed description of the relevant facts together with a reasonably detailed description of the legal basis of the claim. The Notice shall include a detailed description by the aggrieved party of the remedy or outcome desired. The non-aggrieved party shall respond to the Notice within thirty days following its receipt. If the Notice and response does not resolve the dispute, the parties shall meet, in person, within sixty days following the date of the non-aggrieved party's response, in the corporate offices of the Franchisor, and attempt to informally resolve the matter. If the informal meeting does not resolve the matter, the parties shall, within sixty days following the date of the informal meeting, submit to non-binding mediation in the Province of Quebec, Canada with a mediator selected according to the Rules of Arbitration of the International Chamber of Commerce.

If the dispute is not resolved through mediation, then either party may commence an arbitration proceeding, but must do so within ninety days following the date that either party or the mediator

has declared the mediation terminated. The demand for arbitration shall contain a certificate by the party commencing arbitration that the party has fully complied with every provision of this paragraph 18.03. Copies of the Notice and the response thereto exchanged pursuant to this paragraph shall be attached to the demand for arbitration and the issues in the arbitration shall be limited to matters contained therein.

18.04 Limited Exceptions to Arbitration and Mediation.

The requirements of paragraphs 18.01, 18.02, and 18.03 shall not apply to actions for the sole purpose of collecting unpaid money, including franchise fees, royalties or Marketing Fees pursuant to this Agreement or to actions for the sole purpose of enforcing Franchisor's rights in the Marks (both for injunctive relief and damages), the Confidential Information or Trade Secrets or the covenant against competition or solicitation. Such actions and claims are not submitted to arbitration. Any such actions and claims shall be brought in the Court of Quebec, Magog, Quebec. Any counterclaims to such actions and claims are submitted to arbitration and shall be subject to paragraphs 18.01, 18.02 and 18.03.

Article 19 - Representations of Franchisee

19.01 Representations.

Franchisee represents and warrants as follows:

19.01.01 Franchisee is not currently a party to or subject to any contract or agreement, including any other franchise agreement, employment agreement or any covenant not to compete which would directly or indirectly be breached by entering into this Agreement or which would directly or indirectly prohibit or restrict Franchisee's signing of this Agreement or performance thereunder;

19.01.02 Franchisee is executing this Agreement and purchasing the license herein for Franchisee's own account and not as an agent or representative of another (unless for an Entity otherwise named herein and in compliance herewith);

19.01.03 Franchisee intends to be actively involved in the Licensed Business for the entire term of this Agreement and knows of no reason that he/she might become a passive owner;

19.01.04 Franchisee is basing Franchisee's decision to purchase this license, in full, upon statements and representations contained in this Agreement and the **GoliathTech** Franchise Disclosure Document and upon facts obtained pursuant to Franchisee's own investigation. Franchisee is not relying upon any statements or any information received either directly or indirectly from Franchisor or any person acting or purporting to act on behalf of Franchisor which information or statements are not contained in this Agreement or the **GoliathTech** Franchise Disclosure Document or otherwise in writing and signed by an officer of Franchisor. Franchisee has not received any earnings claims or financial performance information, directly or indirectly, from Franchisor accepting only such information as may be contained in Item 19 of the **GoliathTech** Franchise Disclosure Document.

19.01.05 Franchisee has not terminated and will not terminate Franchisee's existing employment or cease any other income-producing activity until after franchisee has an approved location, has successfully completed the Initial Training, and is open for business. If Franchisee elects, notwithstanding this sub-paragraph to terminate employment or income-producing activity,

Franchisee knowingly assumes the risk of loss of income and does so contrary to Franchisor's advice.

Article 20 - Miscellaneous Provisions

20.01 Non-waiver.

No act or omission or delay in enforcing a right by either party shall waive any right under or breach by the other of this Agreement unless such party executes and delivers a written waiver. The waiver by either party of any right under or breach of this Agreement shall not be a waiver of any subsequent or continuing right or breach.

20.02 Attorneys' Fees.

In the event that legal action is properly commenced in court by either party to enforce this Agreement or to determine the rights of any party, as permitted by paragraph 18, including any appeal proceeding, the substantially prevailing party, in addition to any other remedy, shall be entitled to receive its reasonable actual attorney's fees and costs, including expert fees and fees on appeal.

20.03 Severability.

In the event that any of the provisions, or portions thereof, of this Agreement are held to be unenforceable or invalid by any court of competent jurisdiction or by an arbitration panel, the validity and enforceability of the remaining provisions, or portions thereof, shall not be affected thereby, and full effect shall be given to the intent manifested by the provisions, or portions thereof, held to be enforceable and valid, unless such invalidity shall pertain to the obligation to pay fees, in which event this Agreement shall terminate.

20.04 Warranty of Authority.

Each person signing this Agreement for or on behalf of any party to this Agreement warrants that he/she has full authority to sign and to legally bind the party.

20.05 Estoppel Certificate.

In the event that Franchisor is considering transferring, assigning or encumbering this Agreement, the System, or any other of Franchisor's rights or assets, or upon request by Franchisor at any time, Franchisee shall, within ten (10) calendar days after Franchisor shall request the same, execute, acknowledge and deliver to Franchisor, a written certificate that (a) this Agreement is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Agreement as so modified is in full force and effect); (b) the date to which royalties or other charges have been paid in advance, if any; (c) there are not, to Franchisee's knowledge, any uncured defaults on the part of Franchisor or Franchisee hereunder, or specifying such defaults if any are claimed; (d) setting forth the dates of commencement and expiration of the Term of this Agreement; (e) Franchisee has and knows of no basis for any claims of any kind against Franchisor (or, if Franchisee has or knows of any such claims, a detailed statement of all such claims and a statement that Franchisee has and knows of no other claims); and (f) any other matter upon which certification is requested by Franchisor or a prospective assignee or encumbrancer. Franchisor may rely upon any certificate given pursuant to this sub-paragraph as may any prospective purchaser or encumbrancer of all or any portion of Franchisor's rights

hereunder. Any failure or refusal to timely execute a truthful certificate pursuant to this sub-paragraph shall be a material breach of this Agreement.

20.06 Paragraph Headings.

The various paragraph headings are for convenience of reference only and shall not affect the meaning or interpretation of this Agreement or any portion thereof.

20.07 Recitals.

The recitals preceding the first numbered paragraph of this Agreement are hereby made part of this Agreement as if set forth within the numbered paragraphs. All references to “Franchisee” shall include all owners, parents and subsidiaries of Franchisee if Franchisee is an entity.

20.08 Agreement to be Drawn Up in English Language.

The parties have expressly requested that this Agreement be drawn up in the English language. *Les parties ont expressément requis que ce contrat soit rédigé en langue anglaise.*

20.09 No Third-Party Beneficiary.

Nothing in this Agreement shall be construed to give Franchisee any rights as a third-party beneficiary or otherwise arising out of any similar or other agreement(s) between Franchisor and any other franchisee(s). Nothing in this Agreement shall be construed to give to any other franchisee or any other person any rights arising out of this Agreement. Any action or inaction by Franchisor with regard to any other franchisee's performance or non-performance as to any term of this or any similar agreement shall not give rise to any claims or rights in favor of Franchisee under this Agreement.

20.10 Choice of Law.

Except as otherwise specified herein, this Agreement shall be governed by and construed under laws of the Province of Quebec, Canada.

20.11 Notices.

All notices required or permitted by this Agreement ("Notice” or “Notices") shall be sent to the respective parties at the addresses set forth herein. The place of Notice may be modified by appropriate Notice to the other party. All Notices shall be sent by certified mail, return receipt requested, postage prepaid, personally delivered, or by facsimile, overnight delivery, or telegraph. Notices shall be deemed given at the earlier of (a) receipt by the addressee, including by facsimile or electronic mail, (b) two (2) days following deposit with the United States Postal Service or its successor, with postage prepaid, or (c) immediately upon refusal of delivery by the addressee.

20.12 Entire Agreement.

This document, together with any addenda appended hereto, constitutes the full and complete agreement between the parties hereto with respect to the subject matter hereof. There are no verbal or other agreements that affect or modify this Agreement. Any prior or contemporaneous representations, promises, contracts or agreements not contained in this Agreement or the Franchise Disclosure Document presented herewith are hereby fully superseded. No provision of

the Franchise Agreement may disclaim or require the Franchisee to waive reliance on the representations made in the Franchise Disclosure Document.

20.13 Modification.

This Agreement shall not be modified or changed except by a written agreement executed by an officer of Franchisor. No approval of a deviation from the terms of this Agreement shall be valid unless signed by an officer of Franchisor.

20.14 Effective Date.

This Agreement shall have no force or effect unless and until signed by an officer of Franchisor. The effective date shall be the date of such corporate signature. Notwithstanding the order of signatures, this Agreement shall be deemed made and entered into in the state where the Licensed Business is located.

20.15 Time of Essence.

Time is of the essence of this Agreement.

Article 21 - Business Risk

21.01 No Promises

Franchisee has been informed by Franchisor, realizes, and acknowledges that the business venture contemplated by this Agreement involves business risks and its success or failure will be largely dependent upon Franchisee's abilities in operating and managing the Licensed Business. Except to the extent expressly set forth in the **GoliathTech** Franchise Disclosure Document, neither Franchisor nor anyone acting or purporting to act on behalf of Franchisor has made any promises or warranties, expressed or implied, as to Franchisee's potential sales, profits, or success. As to those issues, Franchisee has made its own investigation and evaluation.

21.02 Receipt for Disclosure Document.

Franchisee has received a copy of this Agreement and the **GoliathTech** Franchise Disclosure Document at least fourteen (14) days before signing this Agreement or paying any fee to Franchisor. Franchisee has received a complete copy of this Agreement and all addenda, with all material blanks filled in, at least seven (7) days before signing this Agreement. Franchisee has been encouraged and provided ample opportunity to consult an attorney or other advisor(s) of its own choosing before entering into this Agreement.

REMAINDER OF PAGE INTENTIONALLY BLANK
SIGNATURES ON FOLLOWING PAGE

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year indicated below.

Dated:_____ [effective date]

Date signed: _____

FRANCHISOR:
GoliathTech Inc.
By _____
Julian Reusing, CEO

477 boulevard Poirier,
Magog, Québec, J1X 7L1, Canada.

Signed in Magog, Quebec

FRANCHISEE:

By: _____
Franchisee

Address: _____

_____

Phone: _____

Addendum A

Location of Licensed Business

The location of Franchisee's "GoliathTech" Licensed Business Premises shall be:

Street Address: _____

City: _____

State: _____

Addendum B

Territory

Franchisee's designated Territory shall be defined as follows:

Map(s): Please see attached map(s).

Addendum C

Assignment of Telephone Number

_____Franchisee/Assignor, in consideration of Franchisor/Assignee granting a **GoliathTech** franchise contemporaneously herewith, and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, hereby assigns to **GoliathTech** all telephone numbers and listings utilized or to be utilized by Franchisee/Assignor in the operation of his **GoliathTech** Licensed Business. The Assignee hereby assumes the performance of all of the Terms, Covenants, and Conditions of the agreement(s) with the telephone company with respect to such telephones, telephone numbers and telephone listings with the same force and effect as if Assignee had been originally issued such telephone, telephone numbers, telephone listings and the usage thereof. This Assignment is valid on the effective date and is irrevocable. It applies equally to any numbers first used after the effective date. The telephone company is authorized to rely upon this Assignment at any time that it is delivered to the telephone company by Franchisor/Assignee. Assignee and Assignor each agree to hold harmless and indemnify the telephone company from any claims based upon the telephone company's reliance upon this Assignment. Assignee and Assignor each agree to sign any other documents necessary in the opinion of the telephone company to give effect to this Assignment.

Dated:_____ [effective date]

GoliathTech
(Franchisor/Assignee)

By: _____
Julian Reusing, CEO

477 boulevard Poirier
Magog, Québec, J1X 7L1, Canada

Date signed: _____

FRANCHISEE
(Assignor)

By: _____
Franchisee

Address: _____

_____

Phone: _____

Subject telephone number(s):

_____
(as of date of this document)

Addendum D

Personal Guaranty

IN CONSIDERATION of and to induce the consent by GoliathTech Inc., a Canadian corporation ("Franchisor") to the assignment of all right, title, and interest in and to the **GoliathTech** Franchise Agreement dated _____ to _____ _____, a _____ [Insert Type of Entity and State of organization] ("Franchisee"), [or alternatively, in consideration of and to induce Franchisor's consent for the undersigned to enter into the Franchise Agreement in the Entity form], and for other good and valuable consideration, I/we, and each of us jointly, severally, absolutely and unconditionally guarantee to Franchisor:

1.01 Payment of Obligations.

The punctual payment and satisfaction of each and every claim, demand, default, liability, indebtedness, right or cause of action of every nature whatsoever, including expenses, damages and fees, now or hereafter existing, due or to become due, or held by Franchisor, its subsidiaries, divisions, or related companies, together with any interest as it may accrue, and all costs, expenses and attorney's fees paid or incurred by Franchisor or its subsidiary, division, or related company in collecting or attempting to collect the obligations of the Franchisee or in enforcing or attempting to enforce this Guaranty.

1.02 Continuing Performance.

The timely performance of each term, covenant, and obligation of the license set forth in the **GoliathTech** Franchise Agreement described above. This is a continuing Guaranty which shall apply to the Franchise Agreement and any subsequent renewals, extensions, amendments, or modifications thereof, and such renewals, extensions, amendments, or modifications shall be conclusively presumed to be covered by this Guaranty without further notice to or acceptance by the undersigned.

2.01 Execution and Delivery.

The undersigned acknowledge(s) and agree(s) that possession of this Guaranty by Franchisor constitutes true and correct execution and actual and proper delivery of same to Franchisor, and the undersigned waive notice of acceptance of this Guaranty and of the incurrence by Franchisee of any liability to which it applies or may apply, and waive presentment and demand for payment thereof, protest, notice of protest and notice of dishonor or non-payment thereof, collection thereof including any notice of default in payment thereof or other notice to, or demand of payment therefore on, any party. The undersigned further waive any right to have security applied before enforcing this Guaranty, any right to require suit against the Franchisee or any other party before enforcing this Guaranty, and any right to subrogation to Franchisor's rights against the Franchisee until the Franchisee's liabilities and obligations to Franchisor are paid and satisfied in full. Payment by the undersigned shall be made at the office of Franchisor in Magog, Quebec, J1X 7L1 , or such other location as Franchisor may designate in writing.

3.01 Rights of Company

Franchisor may, at its option, at any time, without the consent of or notice to the undersigned, without incurring responsibility to the undersigned and without impairing or releasing the obligations of the undersigned, upon or without any terms or conditions and in whole or in part:

3.01.01 Change the manner, place or terms of payment or change or extend the time of payment of, renew, or alter any obligation, liability or right of the Franchisee under the Franchise Agreement hereby guaranteed, or any liabilities incurred directly or indirectly

hereunder, and the guaranty herein made shall apply to the obligations and liabilities of the Franchisee, so changed, extended, renewed or altered;

3.01.02 Exercise or refrain from exercising any rights against Franchisee or others, or otherwise act or refrain from acting;

3.01.03 Settle or compromise any liabilities hereby guaranteed or hereby incurred, and may subordinate the payment of all or any part of such liabilities to the payment of any liabilities which may be due to Franchisor or others; and

3.01.04 Apply any sums paid to any liability or liabilities of Franchisee to Franchisor regardless of what liability or liabilities of Franchisee remain unpaid. Franchisor may, at its option, without the consent of or notice to the undersigned, apply to the payment of the liability created by this guaranty, at any time after such liability becomes payable, any moneys, property, or other assets belonging to the undersigned in the possession, care, custody and control of Franchisor.

4.01 Irrevocable.

This agreement shall not affect in any manner the right of Franchisor to terminate the Franchise Agreement pursuant to the terms thereof, and this Guaranty shall survive the termination, expiration, or cancellation of the Franchise Agreement. Franchisor may at its option, elect to take no action pursuant to this Guaranty or the Franchise Agreement without waiving any rights under either. The undersigned do further agree that it will not be necessary for Franchisor, in order to enforce the terms of this agreement against them, to first institute suit or exhaust its remedies against the Franchisee or any others. This Guaranty shall operate as a continuing Guaranty and shall be non-revocable, except with the express written consent of Franchisor.

4.02 Joint and Several Liability.

The undersigned, if more than one, shall be jointly and severally liable hereunder and the term "undersigned" shall mean the undersigned or any one or more of them. Anyone signing this Guaranty shall be bound thereto at any time. Any married person who signs this Guaranty hereby expressly agrees that recourse may be had against his/her community and separate property for all obligations under this Guaranty.

4.03 Successors and Assigns.

This Guaranty shall bind and inure to the benefit of the heirs, executors, administrators, successors, and assigns of Franchisor and of the undersigned.

4.04 Non-Competition.

The undersigned hereby agree that they shall be individually bound by the provisions of the Franchise Agreement relating to trade secrets, confidentiality, and non-competition.

4.05 Bankruptcy or Insolvency of Franchisee.

In the event that a petition in bankruptcy or for an arrangement or reorganization of the Franchisee under any state or federal bankruptcy law or for the appointment of a receiver for the Franchisee or any of its property is filed by or against the Franchisee, or if the Franchisee shall make an assignment for the benefit of creditors or shall become insolvent, all indebtedness and other obligations of the Franchisee shall, for purposes of this Guaranty be immediately due and payable.

4.06 Choice of Forum.

Any action or claim arising out of or based upon this Guaranty shall be brought in the Court of Quebec, Magog, Quebec, Canada. Guarantors do hereby irrevocably consent to the jurisdiction of said court in any such matter.

4.07. Choice of Law.

The Canadian law shall govern this Guaranty.

WITNESS our hands at_____,

on this the_____day of_____, 20____.

By:_ [SIGNATURE] _____% owner of Franchisee	By:_ [SIGNATURE] _____% owner of Franchisee
By:_ [SIGNATURE] _____% owner of Franchisee	By:_ [SIGNATURE] _____% owner of Franchisee
By:_ [SIGNATURE] _____% owner of Franchisee	By:_ [SIGNATURE] _____% owner of Franchisee

Addendum E

Trade Secrets & Confidentiality Agreement

This Agreement is made and entered into by and between_____, d/b/a **GoliathTech** (hereinafter, "the Franchisee") and_____, who is either a manager, employee, or a Member or shareholder of a Franchisee that is a legal entity, such as a limited liability company or a corporation (hereinafter referred to as "Employee").

WHEREAS, Franchisee is engaged is a franchisee of GoliathTech, Inc., ("Franchisor") doing business under the trade name and mark, "GoliathTech".

WHEREAS, Franchisee has a need to disclose certain proprietary information to Employee in the conduct of Employee's duties for Franchisee;

NOW THEREFORE, for and in consideration of the mutual covenants herein contained and other good and faithful consideration, the receipt and sufficiency of which is hereby acknowledged by each party, the parties hereby agree as follows:

1. Definitions. As used in this Agreement:

1.1 "Confidential Information" means any information related to Franchisee or Franchisor that Franchisee discloses to Employee that Franchisee or Franchisor either designates as confidential; or that, by its nature, would reasonably be expected to be held in confidence or kept secret. Without limiting the definition of "Confidential Information", all the following shall be conclusively presumed to be Confidential Information whether or not Franchisor or Franchisee designates it as such: (i) Franchisor's Confidential Operations Manuals; (ii) Franchisee's cost information; (iii) materials describing the Franchisor's franchise network; (iv) Franchisor's training materials; and (v) other information Franchisee or Franchisor give to Employee in confidence, except where such information is a Trade Secret.

1.2 "Trade Secret" means information that derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use. Without limiting the definition of "Trade Secrets," all the following shall be conclusively presumed to be Trade Secrets whether or not Franchisee or Franchisor designate them as such: (i) Franchisee's or Franchisor's methods and procedures; (ii) Franchisee's or Franchisor's sources of supply; and (iii) Franchisee's or Franchisor's advertising, marketing, and public relations strategies.

1.3 The terms "Confidential Information" and "Trade Secret" do not include, regardless of the means of disclosure: (i) information generally known to the trade or the public at the time Franchisee or Franchisor disclose it to me; (ii) information that becomes known to the trade or the public after Franchisee or Franchisor disclose it to me, unless it becomes known due to my breach of this Agreement; or (iii) information I can prove was known to me at the time Franchisee or Franchisor disclosed it to me.

2 Employer Owns All Incidents

Franchisor shall be entitled to all of the benefits, profits and other issues arising from or incident to all work, services, and advice of Employee relating to the Confidential Information

or Trade Secrets or arising out of discussions with Franchisee regarding same, and in any way communicated to Franchisee or becoming known to Franchisee during or after the term of employment.

3. Nondisclosure

Employee shall not at any time or in any manner, either directly or indirectly, divulge, disclose or communicate to any unauthorized person(s) any information regarding any Confidential Information, Trade Secret(s) or any proprietary information of Franchisee or Franchisor. All such information shall be held by Employee in complete confidence. Such information is important, material, and confidential and gravely affects the effective and successful conduct of Franchisee's Licensed Business and goodwill. Should Employee, at any time, cease to be an employee of Franchisee, Employee shall immediately return to the Franchisee the originals and all copies of all documents or other media containing or representing the Confidential Information or Trade Secrets. Breach of any of the terms of this paragraph shall be a material breach of this Agreement. The terms of this paragraph shall survive termination of this Agreement for any reason. Employee shall be in breach of this Agreement during any month in which Employee or any third party has possession or use of any Confidential Information or Trade Secrets in violation of this Agreement.

4. Remedies

Employee agrees that, in the event of alleged breach, Franchisor or Franchisee shall be entitled, in addition to all other remedies available at law or in equity, to a temporary restraining order, a preliminary injunction and other interim relief and that the maximum bond to be required of Franchisor or Franchisee for such relief shall be ten dollars ($10). Employee waives any right to a higher bond. Employee agrees that any action taken by Franchisee or Franchisor pursuant to this Agreement shall not constitute an election of remedies. In addition to, and not in lieu of, an injunction, Franchisee shall be entitled to a judgment against Employee for the greater of (a) Franchisee’s actual damages (if provable under the circumstances) or (b) liquidated damages calculated as Employee’s average monthly gross compensation for the last six months (or portion thereof) for which Employee was employed by Franchisee, multiplied by the number of months during which Employee was in breach of this Agreement. The parties mutually agree that the liquidated damages agreed herein are not a penalty but are a best good faith effort to estimate what Franchisor’s or Franchisee’s actual damages would be in the event of a breach under circumstances where actual damages may, because of facts known at that time, not be readily susceptible of accurate calculation.

5. Enforcement by Franchisor

Both Franchisee and Employee acknowledge and agree that this Agreement is for the benefit not only of the Employer, but also of the Employer’s Franchisor, **GoliathTech Inc..** Franchisee and Employee each agree that **GoliathTech Inc.** shall have the same right to enforce this Agreement as Franchisee has; provided only that as between Franchisee and **GoliathTech, Inc.** they shall be entitled to only one recovery of damages or liquidated damages.

6. Effectiveness

This Agreement shall become effective when signed and shall be enforceable at any time thereafter.

6.1 Non-Waiver.

No act or omission or delay in enforcing a right by either party shall waive any right under or breach by the other of this Agreement unless such party executes and delivers a written waiver. The waiver by either party of any right under or breach of this Agreement shall

not be a waiver of any subsequent or continuing right or breach.

6.2 Attorney's Fees.

In the event that legal action or arbitration is commenced by either party to enforce this Agreement or to determine the rights of any party, including any appeal proceeding, the substantially prevailing party, in addition to any other remedy, shall be entitled to receive its reasonable attorney's fees and costs.

6.3 Severability.

In the event that any of the provisions, or portions thereof, of this Agreement are held to be unenforceable or invalid by any court of competent jurisdiction, the validity and enforceability of the remaining provisions, or portions thereof, shall not be affected thereby, and full effect shall be given to the intent manifested by the provisions, or portions thereof, held to be enforceable and valid, unless such invalidity shall pertain to the obligation to pay fees, in which event this Agreement shall terminate.

6.4 Warranty of Authority.

Each person signing this Agreement for or on behalf of any party to this Agreement warrants that he/she has full authority to sign and to legally bind the party.

6.5 Paragraph Headings.

The various paragraph headings are inserted for convenience of reference only and shall not affect the meaning or interpretation of this Agreement or any portion thereof.

6.6 Recitals.

The recitals preceding the first numbered paragraph of this Agreement are hereby made part of this Agreement as if set forth within the numbered paragraphs.

6.7 Choice of Law.

This Agreement shall be governed by and construed under the laws of the state in which the Licensed Business is located.

6.8 Notices.

All notices required or permitted by this Agreement shall be sent to the respective parties at the addresses set forth herein. The place of notice may be modified by appropriate registered or certified mailing to the other party. All notices shall be sent by certified mail, return receipt requested, postage prepaid, or personally delivered. Notices shall be deemed given at the earlier of (a) receipt by the addressee or (b) two (2) days following deposit with the United States Postal Service or its successor.

6.9 Entire Agreement.

This document, together with any exhibits and addenda appended hereto, constitutes the full and complete agreement between the parties hereto with respect to the subject matter hereof. There are no verbal or other agreements that affect or modify this Agreement. Any prior representations, promises, contracts or agreements are hereby fully superseded.

6.10 Modification.

This Agreement shall not be modified or changed except by a written agreement executed by an officer of Franchisee. No approval of a deviation from the terms of this Agreement shall be valid unless signed by an officer of Franchisee.

(SIGNATURES CONTINUED ON FOLLOWING PAGE)

Date:_____

FRANCHISEE	EMPLOYEE
By: _____ Name, Title	By: _____ Signature
Address: _____	Address: _____
_____	Phone: _____
Phone: _____	

Addendum F

Mutual Termination and Release Agreement

THIS MUTUAL TERMINATION AND RELEASE AGREEMENT (this "Agreement") is made and entered into the_____ day of_____, by and between GOLIATHTECH, INC., a Canadian corporation with its principal business address at 477 boulevard Poirier, Magog, Quebec, J1X 7L1, Canada ("GOLIATHTECH"), and_____("Franchisee").

RECITALS

A. GOLIATHTECH and Franchisee entered into a Franchise Agreement dated _____(the "Franchise Agreement").

B. GOLIATHTECH and Franchisee mutually agree to terminate the Franchise Agreement and as consideration therefore, enter into this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and commitments set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of all of which the parties hereby acknowledge, the parties hereby agree as follows:

Termination of the Franchise Agreement. The Franchise Agreement shall terminate effective _____ (the "Termination Date"). Franchisee shall continue to be bound by all other post- termination obligations that expressly or by their essential purpose are intended to survive the termination of the Franchise Agreement, including, but not limited to Articles 16 and 17 of the Franchise Agreement.

1. Add other provisions as may be applicable

2. Release; Estoppel; Covenant Not To Sue; Indemnification by Franchisee Releasing Parties.

2.1 **Release.** Contingent upon GOLIATHTECH's payment of the consideration set forth in this Agreement, Franchisee, for itself and its agents, and attorneys, successors, heirs, and assigns of any and all of the foregoing (collectively, the "Franchisee Releasing Parties"), hereby release, remise, acquit, and forever discharge GOLIATHTECH and its directors, officers, shareholders, employees, agents, and attorneys, and GOLIATHTECH's affiliates, and each and all of such affiliates' directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the predecessors, successors, heirs, and assigns of any and all of them (collectively, the "GOLIATHTECH Parties Released"), from and against any and all obligations, debts, claims, demands, rights, actions, causes of action, loss, losses, damage, damages, expenses, costs, liability, and liabilities of any nature or kind, contingent or fixed, known or unknown, at law or in equity or otherwise, that arise out of or are related to, or that may hereafter arise out of or relate to, for any matter prior to the Termination Date.

2.1.1 Franchisee, for itself and the other Franchisee Releasing Parties, hereby covenants, warrants, represents, and agrees that neither it nor they nor any of them have assigned or transferred any of the obligations, debts, claims, demands, rights, actions, causes of action, loss, losses, damage, damages, expenses, costs, liability, or liabilities described in this Section 3.1 of this Agreement to any third party.

2.1.2 If any Franchisee Releasing Party raises or asserts any obligation, claim, demand, right, action, or cause of action described in this Section 3.1 of this Agreement, or alleges any debt, loss, losses, damage, damages, expense, cost, liability, or liabilities described in this

Section 3.1 of this Agreement, this Section 3.1 shall be a complete and conclusive defense thereto.

2.2 **Covenant Not to Sue.** Franchisee, for itself and the other Franchisee Releasing Parties, hereby covenants, warrants, represents, and agrees that neither it nor they nor any of them will: (i) make or raise any claim, counterclaim, crossclaim, affirmative defense, or demand; (ii) commence, or cause or permit to be commenced; (iii) prosecute, or cause or permit to be prosecuted; or (iv) assist or cooperate in the commencement or prosecution of, any suit or action at law or in equity or otherwise, any arbitration or like proceeding, or any administrative or agency proceeding, against or related to the GOLIATHTECH Parties Released, or any of them, for any matter arising out of or related to, or that may hereafter arise out of or relate to: (a) the Release set forth in Section 3.1 of this Agreement; or (b) any matter that is within the ambit of such Release.

3. Release; Estoppel; Covenant Not to Sue; Indemnification by GOLIATHTECH Releasing Parties.

3.1 **Release**. Contingent upon Franchisee's production of the Materials as set forth in Section 2 of this Agreement, and its performance of all of its post-termination obligations pursuant to the terms of the Franchise Agreement and this Agreement, GOLIATHTECH, for itself and its affiliates, and for its and such affiliates' directors, officers, shareholders, partners, members, employees, agents, and attorneys, and for the predecessors, successors, heirs, and assigns of any and all of the foregoing (collectively, the "GOLIATHTECH Releasing Parties"), hereby release, remise, acquit, and forever discharge Franchisee and its officers, members, employees, agents, and attorneys, and Franchisee's affiliates, and each and all of such affiliates' directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the predecessors, successors, heirs, and assigns of any and all of them (collectively, the "Franchisee Parties Released"), from and against any and all obligations, debts, claims, demands, rights, actions, causes of action, loss, losses, damage, damages, expenses, costs, liability, and liabilities of any nature or kind, contingent or fixed, of which such GOLIATHTECH Releasing Party knows or should through the exercise of reasonable diligence should know, at law or in equity or otherwise, that arise out of or are related to, or that may hereafter arise out of or relate to, for any matter prior to the Termination Date.

3.1.1 GOLIATHTECH, for itself and the other GOLIATHTECH Releasing Parties, hereby covenant, warrant, represent, and agree that neither it nor they nor any of them have assigned or transferred any of the obligations, debts, claims, demands, rights, actions, causes of action, loss, losses, damage, damages, expenses, costs, liability, or liabilities described in this Section 4 of this Agreement to any third party.

3.1.2 If any GOLIATHTECH Releasing Party raises or asserts any obligation, claim, demand, right, action, or cause of action described in this Section 4 of this Agreement, or alleges any debt, loss, losses, damage, damages, expense, cost, liability, or liabilities described in this Section 4 of this Agreement, this Section 4 shall be a complete and conclusive defense thereto.

3.2 **Covenant Not to Sue**. GOLIATHTECH, for itself and the other GOLIATHTECH Releasing Parties, hereby covenant, warrant, represent, and agree that neither it nor they nor any of them will: (i) make or raise any claim, counterclaim, cross claim, affirmative defense, or demand; (ii) commence, or cause or permit to be commenced; (iii) prosecute, or cause or permit to be prosecuted; or (iv) assist or cooperate in the commencement or prosecution of, any suit or action at law or in equity or otherwise, any arbitration or like proceeding, or any administrative or agency proceeding, against or related to the Franchisee Parties Released, or any of them, for any matter arising out of or related to, or that may hereafter arise out of or relate to: (a) the Release set forth in Section 4 of this Agreement; or (b) any matter that is within the ambit of such Release.

4. Acknowledgements.

4.1 Voluntary Nature of Agreement. Franchisee, for itself and the other Franchisee Releasing Parties, hereby acknowledges and agrees that: (i) it has freely and voluntarily entered into this Agreement, including without limitation the Release, Covenant Not to Sue, and Indemnification set forth in Section 3 of this Agreement; (ii) it has had a full and fair opportunity to consult with its legal counsel with respect to this Agreement, including without limitation such Release, Covenant Not to Sue, and Indemnification, and that it has in fact done so; and (iii) it has carefully read and fully understands this Agreement.

4.2 Remedies. The parties hereby acknowledge and agree that: (i) in the event of any breach of Sections 3 or 4 of this Agreement, the respective party released thereby would be irreparably injured and without adequate remedy at law; and (ii) in the event of a breach or a threatened or attempted breach of any provision of Sections 4 or 5, the injured party will be entitled, in addition to any other remedies such party may have at law or in equity or otherwise, to a preliminary and permanent injunction and a decree for specific performance of the provisions of Section 3 or 4 without the necessity of showing actual or threatened damage and without being required to furnish a bond or other security.

5. Confidentiality. Franchisee agrees that it will keep the terms and conditions of this Agreement confidential. Franchisee may, however disclose this Agreement and its contents to its legal or financial advisers.

6. Miscellaneous.

6.1 Time. Time is of the essence to the performance of all obligations of the parties to be performed under this Agreement.

6.2 Amendments. This Agreement may be amended only by a written agreement signed by the parties.

6.3 Waiver and Delay. No waiver or delay by GOLIATHTECH in requiring strict compliance with any obligation of this Agreement, or in the exercise of any right or remedy provided in this Agreement or at law or in equity or otherwise, and no custom or practice at variance with the requirements of this Agreement, will constitute a waiver or modification of any such obligation, right, remedy, or requirement, or preclude the exercise of any such right or remedy or the right to require strict compliance with any obligation set forth in this Agreement, or will preclude, affect, or impair enforcement of any right or remedy provided in this Agreement or at law or in equity or otherwise. All remedies under this Agreement, at law, in equity, or otherwise, afforded to GOLIATHTECH shall be cumulative and not alternative, and may be exercised simultaneously or sequentially in any order.

6.4 Attorneys' Fees. In the event of any dispute or litigation arising out of or related to this Agreement, including without limitation any dispute or litigation arising out of or related to the making of this Agreement, the prevailing party, on demand, shall pay the other party's costs, including without limitation, reasonable attorneys' fees and costs.

7. Construction.

7.1 Construe In Favor of Enforcement. In the event of any litigation or like event or occurrence arising out of or related to Franchisee's or any other releasing party's obligations set forth in this Agreement, or arising out of or related to the matters set forth in this Agreement, Franchisee, for itself and the other Franchisee Releasing Parties, hereby directs any third party construing this Agreement, including without limitation any court, mediator, master, or other party acting as a trier of fact or law, to construe such provisions broadly in favor of enforcement.

7.2 Merger; Entire Agreement. This Agreement is a complete integration that sets forth

the entire agreement between the parties, fully superseding any and all prior negotiations, agreements, representations, or understandings between GOLIATHTECH and Franchisee, whether oral or written, arising out of or related to the matters set forth in this Agreement. GOLIATHTECH and Franchisee hereby expressly affirm that there are no oral or written agreements, side-deals, arrangements, or understandings between them arising out of or related to the matters set forth in this Agreement except as expressly set forth in this Agreement. No course of dealing, whether occurring before or after the date of this Agreement, shall operate to amend, terminate, or waive any express written provision of this Agreement.

7.3 Effect of Recitals. The Recitals to this Agreement shall be construed as a material and enforceable part of this Agreement for all purposes and shall in no event be considered prefatory language or mere surplusage.

7.4 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which taken together shall constitute one and the same agreement.

7.5 Submission of Agreement; Effectiveness. Submission of this Agreement to Franchisee does not constitute an offer to enter into a contract. This Agreement shall not be binding on GOLIATHTECH unless and until: (i) it is duly executed by GOLIATHTECH's authorized officer; and (ii) such duly-executed Agreement is delivered to Franchisee.

IN WITNESS WHEREOF, the parties to this Agreement, intending to be legally bound by this Agreement, have duly executed and delivered this Agreement as of the Effective Date.

GOLIATHTECH:	**FRANCHISEE:**
GoliathTech, Inc.	_____
By: _____	By: _____
Julian Reusing, CEO	
	_____
	Print Name

EXHIBIT C TO THE DISCLOSURE DOCUMENT
List of Current and Former Franchisees
List of Current Franchisees Jan 31, 2022

There are no Franchisees who have signed a Franchise Agreement but have not opened as of Jan. 1, 2022

Alaska
GoliathTech Alaska
Tim Mersdorf, Bobbi Jo Mersdorf
(1 Franchise)
950 Bench Court
Homer, AK 99504
(907) 290-7016

Alabama
Gulf States Construction & Piles LLC
Robert Brooks
(1 Franchise)
1561 Grove Hill Road
Auburn, AL, 35630
(205) 266-6342

Rose Office Systems
Gary Cain
(1 Franchise)
1265 Hwy 87
Calera, AL, 35040
(205) 663-2210

California
GTWest Techpiles
Lawrence Reusing
(2 Franchises)
1651 E. St. Andrews Place
Santa Ana, CA 92705
(949) 943-0749

Bluvoxel
Eric M. Davis
(2 Franchises)
414 Hummingbird Place
Clayton, CA 94517
(530) 563-3131

Silicon Valley GT
Damian Cieslicki
(1 Franchise)
1380 Fairway Dr
Los Altos, CA, 94024
(408) 455-2635

Florida
ACE Foundation & Systems
Alan Egert
(1 Franchise)
11950 W. Dixie Hwy.
Miami, FL 33161
(305) 892-8453

Illinois
GoliathTech of St. Louis LLC
Eric Davis
(2 Franchises)
54 South Rapp Avenue
Columbia, IL 62236
(618) 410-7816

Kansas
GoliathTech Kansas City
Mike P. Davis
(1 Franchise)
10340 Cherokee Lane
Leawood, KS 6206
(816) 332-1300

Maine
GoliathTech Maine
Kevin Quellette
(1 Franchise)
381 Middle Road
Fairfield, ME 04937
(207) 453-2668

Massachusetts
Goliathtech New England
Jeff O'Rourke
(11 Franchises)
389 Concord Road
Billerica, MA 01821
(781) 710-2042

Michigan
Woodcraft Design and Build
Keith Hay
(1 Franchise)
2420 Crooked Lake
Howell, MI, 48843
(734) 756-5640

Minnesota
GoliathTech Minnesota
Jeff Prebil
(12 Franchises)
8840 Xylite St., NE Blaine, MN 55449
(612) 405-7785

Missouri
GoliathTech of St. Louis LLC
Eric Davis
(3 Franchises)
514 South Rapp Ave. Columbia, IL 62236
(618) 410-7816

New Jersey
Sure Footing, Inc.
Tomas Corbett
(5 Franchises)
3121 Fire Rd.
Egg Harbor Twp., NJ 08234
(609) 744-5696

GoliathTech NJ Inc.
Ion Colbasiuc
(6 Franchises)
3 Westbrook Ave
Hillsborough, NJ, 08844
(732) 853-2115

New Hampshire
GoliathTech New England
Jeff Rourke
(2 Franchises)
389 Concord Road
Billerica, MA, 01821
(781) 710-2042

New Mexico
LLR Construction LLC
David Langley
(1 Franchise)
2015 Wyoming Blvd NE STE
Albuquerque, NM, 87112
(505) 365-1184

New York
Excellent Exterior and Deck Company, Inc.
Joseph Vitale/Jeff Miller
(1 Franchise)
481 Miller Road
Clifton Park, NY 12065
(518) 466-4011

MPG Properties LLC
Michael Gish
(3 Franchises)
490 Center Road West Seneca, NY 14224
(716) 432-8455

GoliathTech of Central New York
Ian Storsberg, Sean Wlock,
Dave Fasolino
(2 Franchises)
6190 Walker Road,
Deerfield, NY, 13502
(315) 525-6833

North Carolina
GoliathTech of the Southern Piedmont
Alan Parker
(2 Franchises)
8677 Bethel Church Road
Concord, NC, 28025
(704) 579-6633

GoliathTech WNC
Terra Specialties LLC
Evan McIntosh, Courtney Money-McIntosh
(1 Franchise)
1986 Old Fanning Bridge Rd
Mills River, NC, 28759
(828) 284-0183

North Dakota
GoliathTech Minnesota
Jeff Prebil
(1 Franchise)
8840 Xylite St., NE
Blaine, MN 55449
(612) 405-7785

Ohio
Sinacola, LLC
Anthony Sinacola
(2 Franchises)
1301 E. 2nd St.
Port Clinton, OH 43452
(419) 705 4913

Oregon
Absolute Foundation LLC
Daniel Smith
(1 Franchise)
137 SW Cypress St.
McMinnville, OR, 97128
(971) 901-1026

Pennsylvania
Goliathtech Keystone
Joshua Miller
(4 Franchises)
Red Lion, PA 17356
(717) 693-2999

East Penn Foundations LLC
Todd Garloff
(2 Franchises)
4117 Ford Drive
Emmaus, PA, 18049
(484) 515-0968

Rhode Island
GoliathTech New England
Jeff O'Rourke
(2 Franchises)
389 Concord Road
Billerica, MA 01821
(781) 710-2042

South Carolina
GoliathTech WNC
Terra Specialties LLC
Evan McIntosh, Courtney Money-McIntosh
(1 Franchise)
1986 Old Fanning Bridge Rd
Mills River, NC, 28759
(828) 284-0183

South Dakota
GoliathTech Minnesota
Jeff Prebil
(2 Franchises)
8840 Xylite St., NE
Blaine, MN 55449
(612) 405-7785

Tennessee
GoliathTech Minnesota
Jeff Prebil
(1 Franchise)
8840 Xylite St., NE Blaine, MN, 55449
(612) 405-7785

Utah
GoliathTech Utah
Ryan Mock
(5 Franchises)
3400 N 1000 W,
Pleasant View, UT, 84414
(801) 839-5283

Vermont
Business to M2M
Max Murray
(3 Franchises)
88B North St,
Bristol, VT, 05443, US
(802) 992-8959

Washington
Newport West LLC
Mike Nykreim
(1 Franchise)
4958 126th Ave. SE
Bellevue, WA, 98006
(425) 201-0001

Wisconsin

Badgerland Pile Co. LLC
Thomas Hattori
(3 Franchises)
1686 Journeys Dr.
Hartland, WI 53029
(262) 370-3361

Goliathech of South East Wi
John Achim
(1 Franchise)
N68 W13159 Ranch Road
Menomenee Falls, WI 53051
(262) 735-5253

Utah

GoliathTech Utah
Ryan Mock
(1 Franchise)
3400 N 1000 W,
Pleasant View, UT, 84414
(801-839-5283)

List of Former Franchisees as of Jan 31, 2022

California

GTWest Techpiles
Lawrence Reusing
(6 Franchises)
1651 E. St. Andrews Place
Santa Ana, CA 92705
(949) 943-0749

Connecticut

Sunstone Const. Services
Marc Paradis
(7 Franchises)
P. O. Box 3
Colchester, CT 06415
(860) 531-3188

Massachusetts

Sunstone Const. Services
Marc Paradis
(3 Franchises)
P. O. Box 3
Colchester, CT 06415
(860) 531-3188

North Carolina

Carolina Piles LLC
Michael Bauman
(2 Franchises)
8460 Garvey Drive
Raleigh, NC, 27616
(919) 924-8224

Wisconsin

Badgerland Pile Co. LLC
Thomas Hattori
(2 Franchises)
1686 Journeys Dr.
Hartland, WI 53029

New Hampshire

GoliathTech New England
Jeff O'Rourke
(1 Franchise)
389 Concord Road
Billerica, MA 01821
(718) 710-2042

New York

American Deck Builders
Brendon Lawrence
(1 Franchise)
8 John Smith Road
Binghamton, NY 13901
(607) 624-4321

Excellent Exterior and
Deck Company, Inc.
Joseph Vitale/Jeff Miller
(4 Franchises)
481 Miller Road
Clifton Park, NY 12065
(518) 466-4011

Washington

Goliath Tech Skagit Valley
Ryan Bettger
(2 Franchises)
5451 Timber Ridge Drive
Mt. Vernon, WA 98273
(360) 202-9910

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

EXHIBIT "D"

OPERATIONS MANUAL

GOLIATHTECH INC.

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EXHIBIT E TO THE DISCLOSURE DOCUMENT

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
CALIFORNIA	Commissioner of Financial Protection and Innovation 2101 Arena Blvd. Sacramento, CA 95834 (415) 972-8559	Commissioner of Financial Protection and Innovation 2101 Arena Blvd. Sacramento, CA 95834 (415) 972-8559
HAWAII	Commissioner of Securities of The State of Hawaii Business Registration Division Dept. of Commerce and Consumer Affairs Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii Business Registration Division Dept. of Commerce and Consumer Affairs Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722
ILLINOIS	Franchise Division Attorney General State of Illinois 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	Illinois Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465
INDIANA	Securities Commissioner Indiana Securities Division Room E-111 302 West Washington Street Indianapolis, Indiana 46204 (317) 232-6681	Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, Indiana 46204

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
MARYLAND	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, Michigan 48913 (517) 373-7117	Michigan Department of Commerce Corporations and Securities Bureau 670 Law Building Lansing, Michigan 48913
MINNESOTA	Minnesota Department of Commerce Securities-Franchise Registration 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1500	Minnesota Department of Commerce Securities-Franchise Registration 85 7th Place East, Suite 280 St. Paul, Minnesota 55101
NEW YORK	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, New York 10005 (212) 416-8222 Phone (212) 416-6042 Fax	New York Secretary of State 99 Washington Avenue Albany, New York 12231
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard, Fifth Floor Bismarck, North Dakota 58505 (701) 328-4712	North Dakota Securities Commissioner 600 East Boulevard, Fifth Floor Bismarck, North Dakota 58505

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
RHODE ISLAND	Division of Securities John O. Pastore Complex, Bldg. 69-1 Cranston, Rhode Island 02920 (401) 426-9500	Director of the Rhode Island Department of Business Regulation 1511 Pontiac Avenue Cranston, Rhode Island 02920
SOUTH DAKOTA	Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-3563	Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, South Dakota 57501
VIRGINIA	State Corporation Commission, Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia (804) 371-9051	Clerk of the State Corporation Commission 1300 East Main Street 1st Floor Richmond, Virginia 23219
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, Washington 98501-9033 (360) 902-8760	Department of Financial Institutions 150 Israel Rd. SW Tumwater, WA 98501
WISCONSIN	Commissioner of Securities 111 West Wilson Street P.O. Box 1768 Madison, Wisconsin 53701 (608) 266-1365	Commissioner of Securities 111 West Wilson Street P.O. Box 1768 Madison, Wisconsin 53701

EXHIBIT F TO THE DISCLOSURE DOCUMENT

STATE LAW ADDENDUM

Addendum for State-Specific Requirements
General

These states have statutes which may supersede the franchise agreement in Your relationship with Us including the areas of termination and renewal of Your franchise: ARKANSAS [Stat. Section 70-807], CALIFORNIA [Bus. & Prof. Code Sections 20000-20043], CONNECTICUT [Gen. Stat. Section 42-133e *et seq.*], DELAWARE [Code, Tit. 6, Chap. 25, Section 2552], HAWAII [Rev. Stat. Section 482E-1], ILLINOIS [815 ILCS 705/19 and 705/20], INDIANA [Stat. Section 23-2-2.7], IOWA [Code Tit. XX, Chap. 523H], KENTUCKY [Rev. Stat. Tit. XL, Chap. 436], LOUISIANA [Rev. Stat. Tit. 23, Section 921(E)], MICHIGAN [Stat. Section 19.854(27)], MINNESOTA [Stat. Section 80C.14], MISSISSIPPI [Code Section 75-24-51], MISSOURI [Stat. Section 407.400], NEBRASKA [Rev. Stat. Chapter 37-5B], NEW JERSEY [Stat. Section 56:10-1], SOUTH DAKOTA [Codified Laws Section 37-5B], VIRGINIA [Code 13.1-557-574-13.1-564], WASHINGTON [Code Section 19.100.180], WISCONSIN [Stat. Section 135.03], DISTRICT OF COLUMBIA [Code, Tit. 29, Chap. 12], PUERTO RICO [Laws Tit. 10, Chap. 14], and VIRGIN ISLANDS [Code, Tit. 12A, Chap. 2, Subchap. III]. These and other states may have court decisions that may supersede the franchise agreement in Your relationship with Us including the areas of termination and renewal of Your franchise.

Some states have statutes that limit Our ability to restrict Your activity after the Franchise Agreement has ended. Other states have court decisions limiting Our ability to restrict Your activity after the franchise agreement has ended.

A provision in the Franchise Agreement that terminates the Franchise upon Your bankruptcy may not be enforceable under Title 11, United States Code.

California Addendum
(Applies only to California franchisees)

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, and non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

The following statement is added to Item 1 of the Disclosure Document: You must comply with the licensure requirements of the California Contractors Licensing Board and obtain a license as an “Earthworks and Paving Contractor”.

Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

Neither We nor any person identified in Item 2 is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et. seq., suspending or expelling the persons from membership in that association or exchange.

You must sign a General Release of all claims if you transfer your franchise. California Corporations Code §31512 voids a waiver by the person acquiring a franchise of certain rights under the Franchise Investment Law (California Corporation Code §§31516). Business and Professions Code §20010 voids a waiver of certain rights under the Franchise Relations Act (Business and Professions Code §§20000 through 20043.

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et. seq.)

The Franchise Agreement contains a covenant not to compete that extends beyond the termination of the franchise. This provision may not be enforceable under California law.

The Franchise contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

You must resolve disputes through binding arbitration. The arbitration will occur in California with the costs of arbitration being borne equally by the parties. Each party will bear its own expenses, including attorneys' fees. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a Franchise Agreement restricting venue to a forum outside the State of California.

The Antitrust Law Section of the Office of the California Attorney General views maximum price agreements as per se violations of the Cartwright Act. As long as this represents the law of the State of California, We will not interpret the Franchise Agreement as permitting or requiring maximum price limits.

Deferral of Your Initial Fee - If Your Licensed Business will be in California, You will not pay Your Initial Fee to Us until we have completed all of Our material pre-opening obligations to you and until you are open for business. Item 5 of the Franchise Disclosure Document and Article 2 of the Franchise Agreement are amended accordingly. Please review Item 11 for our pre-opening obligations. You must have Your bank verify that you have sufficient funds available at the time We sign the Agreement.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION at www.dfpi.ca.gov.

Hawaii Addendum

(Applies only to Hawaii franchisees)

If Your Licensed Business will be in Hawaii, You will not pay Your Initial Fee to Us until Your business is open and we have completed all of Our material pre-opening obligations to you. Item 5 of the Franchise Disclosure Document and Article 2 of the Franchise Agreement are amended accordingly. Please review Item 11 for our pre-opening obligations. You must have Your bank verify that you have sufficient funds available at the time We sign the Agreement. The only condition on Your obligation to pay the Initial Fee is that We must complete all of Our material pre-opening obligations to you.

Illinois Addendum

(Applies only to Illinois franchisees)

Illinois law governs the Franchise Agreement(s).

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Your rights upon Termination and Non-Renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or **any other law of Illinois is void.**

Payment of Initial Franchise/Development Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

Indiana Addendum

(Applies only to Indiana franchisees)

Indiana law prohibits requiring you to prospectively agree to a release or waiver which purports to relieve any person from liability imposed by the Indiana Franchise Practices Act (IC 23-2-2.7(5)). The Franchise Agreement shall be deemed amended to the extent necessary to comply with IC 23-2-2.7(5).

Indiana law limits the parties agreement to resolve disputes in any jurisdiction outside of Indiana (IC 23-2-2.7(10). Subject to the Federal Arbitration Act, the Franchise Agreement shall be deemed amended and the forum for any court proceedings shall be in Indiana.

Maryland Addendum
(Applies only to Maryland franchisees)

The Maryland Franchise Registration and Disclosure Law, COMAR 02.02.08.16L, provides that, as a condition of the sale of a franchise, We may not require you to agree to a release, assignment, novation, waiver, or estoppel that would relieve a person from liability under the Franchise Registration and Disclosure Law. Item 17 of the Disclosure Document is amended by adding: any general release required as a condition of sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any right or obligation under the Maryland Franchise Registration and Disclosure Law.

Item 17 of the Disclosure Document is amended by adding the following: The provision in the Franchise Agreement that provides for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, et. seq.).

If you are a resident of Maryland or Your Licensed Business will be in Maryland, You will not pay Your Initial Fee or any other money to Us until Your business is open and we have completed all of Our material pre-opening obligations to you. Item 5 of the Franchise Disclosure Document and Article 2 of the Franchise Agreement are amended accordingly.

Item 17 of the Disclosure Document and Article 19 of the Franchise Agreement are amended by adding: any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

Article 19 of the Franchise Agreement is amended to provide as follows: Any lawsuit permitted under this Article shall be brought in the federal or state courts located in the State of Maryland. Item 17 is hereby amended by adding the identical language in the “summary” column of line v.

On the basis of the financial information submitted, all fees shall be deferred pending satisfaction of all of the franchisor’s pre-opening obligations to the franchisee.

ADDENDUM TO THE FRANCHISE AGREEMENT
REQUIRED FOR MARYLAND FRANCHISEES

This Addendum to Franchise Agreement ("Franchise Agreement") dated _____ between GoliathTech, Inc. ("Franchisor") and _____("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being signed because: (a) the offer or sale of the franchise to Franchisee was made in the State of Maryland; (b) Franchisee is a resident of the State of Maryland; and/or (c) the GoliathTech Franchised Business will be located or operated in the State of Maryland.

2. The following sentence is added to the end of Section 1:

Representations in the Franchise Agreement are not intended to, nor shall they act as a release, estoppels, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

3. The following sentence is added to the end of Sections 2.2.6 and 13.3.9:

The general release required as a condition of renewal, sale or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

4. If you are a resident of Maryland or Your Licensed Business will be in Maryland, You will not pay Your Initial Fee or any other money to Us until Your business is open and we have completed all of Our material pre-opening obligations to you. Item 5 of the Franchise Disclosure Document and Article 2 of the Franchise Agreement are amended accordingly

5. The following sentence is added to the end of Section 16.7:

Franchisee may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law, provided that the Franchise Agreement may provide for arbitration in a forum outside of Maryland.

6. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

7. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

8. The Franchise Agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland

Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

9. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

10. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

FRANCHISOR:	**FRANCHISEE:**
GoliathTech, Inc.	_____
By:_____	By: _____
Printed Name: Julian Reusing	Printed Name: _____
Title: Chief Executive Officer	Title: _____
Date:_____	Date: _____

Minnesota Addendum

(Applies only to Minnesota franchisees)

Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreement can abrogate or reduce any of Your rights as provided for in Minnesota Statutes, Chapter 80C, or Your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. §80C.214, Subds. 3, 4, and 5 which require, except in certain specified cases, that We give you 90 days notice of termination (with 60 days to cure) and 180 days notice of non-renewal of the franchise agreement.

We will protect Your right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name, to the extent required by Minn. Stat. §80C.12, Subd. 1(g).

To the extent governed by Minn. Rule 2860.4400J, you shall not be deemed to have waived any rights under Minnesota law. You shall not be deemed to have consented to Us obtaining injunctive relief, although We may seek injunctive relief. A Court or the arbitrators shall determine whether to require a bond as a condition of injunctive relief.

Items 5 and 7 are amended to provide that the payment of the Initial Franchise Fee is deferred until the Franchisee is open for business.

New York Addendum

(Applies only to New York franchisees)

1. The following information is added to the cover page of the Franchise Disclosure document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT B OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HASVERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TOPREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal

trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchises and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, anti-fraud or securities law, fraud; embezzlement, fraudulent conversion or misappropriation of property, unfair or deceptive practices; or comparable allegations.

D. No such party is subject to a currently effective injunction or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of Item 4:

Neither the Franchisor, its affiliate, its predecessor, officers, or general partner during the 10 year period immediately before the date of the offering circular: (a) filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. The following is added to the end of the "Summary" sections of Item 17 (c) titled "**Requirements for franchisee to renew or extend,"** and Item 17 (m) entitled **"Conditions for franchisor approval of transfer"**:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the

General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

1. The following language replaces the "Summary" section of Item 17(d), titled **"Termination by Franchisee"**:

   You may terminate the agreement on any grounds available by law.

2. The following is added to the end of the "Summary" section of Item 17(j), titled **"Assignment of contract by franchisor"**:

   However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the Franchise Agreement.

3. The following is added to the end of the "Summary" sections of Item 17(v), titled **"Choice of forum"**, and Item 17(w) titled **"Choice of law"**:

   The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

North Dakota Addendum

(Applies only to North Dakota franchisees)

Under North Dakota law, no modification or change We make to the Manual or method of operation may materially affect Your status, rights or obligations under the Franchise Agreement.

Covenants not to compete are considered unenforceable in the State of North Dakota.

Under North Dakota law, a requirement that you consent to liquidated damages or termination penalties in the event of termination of the franchise agreement is considered unenforceable.

The North Dakota Franchise Investment Law (Section 51-19-09) requires that the laws of North Dakota, which laws will prevail, will govern the Franchise Agreement. Further, North Dakota law requires that all issues or disagreements relating to the Franchise Agreement will be arbitrated, tried, heard and decided within the jurisdiction of courts in the state of North Dakota.

Under the North Dakota Franchise Investment Law (Section 51-19-09), a North Dakota franchisee may not be required to execute a general release upon renewal of the Franchise Agreement.

Item 5 of the Disclosure Document is amended to add the following: "The Franchisee shall not be required to pay the initial Franchise Fee until Franchisor has completed all of its pre-opening obligations and the Franchisee is open for business.

Rhode Island Addendum

(Applies only to Rhode Island franchisees)

Item 17 is amended by adding the following: Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that a provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.

If Your Licensed Business will be in Rhode Island, You will not pay Your Initial Fee to Us until Your business is open and we have completed all of Our material pre-opening obligations to you. Item 5 of the Franchise Disclosure Document and Article 2 of the Franchise Agreement are amended accordingly. Please review Item 11 for our pre-opening obligations. You must have Your bank verify that you have sufficient funds available at the time We sign the Agreement. The only condition on Your obligation to pay the Initial Fee is that We must complete all of Our material pre-opening obligations to you.

South Dakota Addendum

(Applies only to South Dakota franchisees)

Covenants not to compete upon termination or expiration of a franchise agreement are generally unenforceable in South Dakota, except in certain instances as provided by law.

In the event that either party shall make demand for arbitration, such arbitration shall be conducted in a mutually agreed upon site in accordance with Section 11 of the Commercial Arbitration Rules of the American Arbitration Association.

The law regarding franchise registration, employment, covenants not to compete, and other matters of local concern will be governed by the laws of the State of South Dakota; but as to contractual and all other matters, this agreement and all provisions of this instrument will be and remain subject to the application, construction, enforcement and interpretation under the governing law of the state where the franchise is located.

Any provision of the franchise agreement which requires you to agree to jurisdiction and venue outside of South Dakota is void with respect to any cause of action which is otherwise enforceable in South Dakota.

Notwithstanding any term of the franchise agreement, We not terminate the franchise agreement upon default without first affording you thirty (30) days notice with an opportunity to cure the default within that time.

To the extent required by South Dakota law, all provisions giving any party a right to liquidated damages are hereby deleted from the franchise agreement and the parties shall be entitled to their actual damages instead.

The initial franchise fee shall not be due and payable until the franchisor has completed its pre-opening obligations to the franchisee and the franchisee is open for business.

Virginia Addendum

(Applies only to Virginia franchisees)

The following statement is added to Item 5:

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

The following statements are added to Items 12 and 17h:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise agreement does not constitute “reasonable cause”, as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

Item 15 of the Franchise Disclosure Document is amended by adding the following: The Franchise Agreement requires that the Licensed Business be open for business Monday through Friday, 7 a.m. – 4 p.m., subject to seasonal and holiday adjustments; however, Franchisor, in its sole discretion may, from time to time specify different hours of operation. Franchisee may request different hours for good cause.

Item 17 of the Disclosure Document is amended by adding the following: The provision in the Franchise Agreement that provides for termination upon Your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, et. seq.).

Washington Addendum to the Franchise Disclosure Document, Franchise Agreement, and Related Agreements
(Applies only to Washington franchisees)

This Addendum to Franchise Agreement ("Franchise Agreement") dated _____ between Goliathtech, Inc. ("Franchisor") and _____ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement, This Addendum is being signed because: (a) the offer or sale of the franchise to Franchisee was made in the State of Washington; (b) Franchisee is a resident of the State of Washington; and/or (c) the Goliathtech, Inc. Franchised Business will be located or operated in the State of Washington.2. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

2. RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

3. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial may not be enforceable.

5. Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

6. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

7. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or

(ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

8. Section 4.1 of the franchise agreement is amended to add the following: "The collection of the Initial Franchise Fee is deferred until the franchisor has fulfilled its initial pre-opening obligations to the franchisee and the franchisee is open for business."

The undersigned does hereby acknowledge receipt of this addendum.

Dated this_____day of_____, 20____.

GoliathTech Inc.
Franchisor

_____
Franchisee

By:_____
Its: _____

By:_____
Its: _____

ADDENDUM TO THE GOLIATHTECH, INC.
FRANCHISE AGREEMENT FOR USE IN CALIFORNIA

This Addendum to Franchise Agreement ("Franchise Agreement") dated _____ between Goliathtech, Inc. ("Franchisor") and _____ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of and are incorporated into the Franchise Agreement. This Addendum is being signed because: (a) the offer or sale of the franchise to Franchisee was made in the State of California; (b) Franchisee is a resident of the State of California; and/or (c) the GoliathTech Franchised Business will be located or operated in the State of California.

2. In recognition of the requirements of the California Franchise Investment Law, Cal. Corp. Code §§31000-3516 and the California Franchise Relations Act, Cal. Bus. And Prof. Code §§20000-20043, the Franchise Agreement is amended as follows:

The California Franchise Relations Act provides rights to Franchisee concerning termination or non-renewal of the Franchise Agreement, which may supersede provisions in the Franchise Agreement. Section 19, which terminates the Franchise Agreement upon the bankruptcy of Franchisee, may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*). Section 16.1 contains a covenant not to compete that extends beyond the expiration or termination of the Agreement; this covenant may not be enforceable under California Law. The Franchise Agreement requires litigation to be conducted in a court located outside of the State of California. This provision might not be enforceable for any cause of action arising under California law. The Franchise Agreement requires application of the laws of a state other than California. This provision might not be enforceable under California law. Section 20.8 requires binding arbitration. The arbitration will occur at the forum indicated in Section 20.8, with the costs being borne by the non-prevailing party. Prospective franchisees are encouraged to consult legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement restricting venue to a forum outside of the State of California.

The California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning transfer, termination or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

3. Section 2.01 of the Franchise Agreement is amended to add the following: You will not pay Your Initial Fee to Us until we have completed all of Our material pre-opening obligations to you and until you are open for business.

4. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date.

GoliathTech, Inc.

By: _____

Name: _____

Title: _____

FRANCHISEE

_____
[Print Name of Franchise Entity]

By: _____
[Signature of person signing on behalf of entity]

Title of Signatory: _____

ADDENDUM TO THE FRANCHISE AGREEMENT
REQUIRED FOR ILLINOIS FRANCHISEES

This Addendum to Franchise Agreement ("Franchise Agreement") dated _____ between Goliathtech, Inc. ("Franchisor") and _____ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of and are incorporated into the Franchise Agreement. This Addendum is being signed because: (a) the offer or sale of the franchise to Franchisee was made in the State of Illinois; (b) Franchisee is a resident of the State of Illinois; and/or (c) the GoliathTech Franchised Business will be located or operated in the State of Illinois.

2. Illinois governs the Franchise Agreement.

3. Section 41 of the Illinois Franchise Disclosure Act states that, ""any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act is void." To the extent that any provision in the Franchise Agreement is inconsistent with Illinois law, Illinois law will control.

4. Franchisees' right upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

5. Any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration on a venue outside of Illinois.

6. Section 2.01 of the Franchise Agreement is amended to add the following:

The payment of the Initial Fee is deferred until such time as the Franchisor has satisfied all of its pre-opening obligations to Franchisee, and Franchisee has commenced doing business. The Office of the Illinois Attorney General has imposed this financial assurance requirement due to Franchisor's current financial condition.

7. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

8. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

FRANCHISOR:
Goliathtech, Inc.

By: _____

Printed Name: _____

Title: _____

Date: _____

FRANCHISEE:

_____

By: _____

Printed Name: _____

Title: _____

Date: _____

ADDENDUM TO THE FRANCHISE AGREEMENT
REQUIRED FOR MINNESOTA FRANCHISEES

This Addendum to Franchise Agreement ("Franchise Agreement") dated _____ between Goliathtech, Inc. ("Franchisor") and _____ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of and are incorporated into the Franchise Agreement. This Addendum is being signed because: (a) the offer or sale of the franchise to Franchisee was made in the State of Minnesota; (b) Franchisee is a resident of the State of Minnesota; and/or (c) the GoliathTech Franchised Business will be located or operated in the State of Minnesota

2. Section 2.01 of the Franchise Agreement is amended to add the following:

The payment of the Initial Fee is deferred until such time as the Franchisor has satisfied all of its pre-opening obligations to Franchisee, and Franchisee has commenced doing business.

3. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

4. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

FRANCHISOR:	**FRANCHISEE:**
Goliathtech, Inc.	_____
By: _____	By: _____
Printed Name: _____	Printed Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

ADDENDUM TO THE FRANCHISE AGREEMENT
REQUIRED FOR NORTH DAKOTA FRANCHISEES

This Addendum to Franchise Agreement ("Franchise Agreement") dated _____ between Goliathtech, Inc. ("Franchisor") and _____ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of and are incorporated into the Franchise Agreement. This Addendum is being signed because: (a) the offer or sale of the franchise to Franchisee was made in the State of North Dakota; (b) Franchisee is a resident of the State of North Dakota; and/or (c) the GoliathTech Franchised Business will be located or operated in the State of North Dakota.

2. Section 2.01 of the Franchise Agreement is amended to add the following:

The payment of the Initial Fee is deferred until such time as the Franchisor has satisfied all of its pre-opening obligations to Franchisee, and Franchisee has commenced doing business.

3. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

4. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

FRANCHISOR:	**FRANCHISEE:**
Goliathtech, Inc.	_____
By: _____	By: _____
Printed Name: _____	Printed Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

ADDENDUM TO THE FRANCHISE AGREEMENT
REQUIRED FOR SOUTH DAKOTA FRANCHISEES

This Addendum to Franchise Agreement ("Franchise Agreement") dated _____ between Goliathtech, Inc. ("Franchisor") and _____ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of and are incorporated into the Franchise Agreement. This Addendum is being signed because: (a) the offer or sale of the franchise to Franchisee was made in the State of South Dakota; (b) Franchisee is a resident of the State of South Dakota; and/or (c) the GoliathTech Franchised Business will be located or operated in the State of South Dakota.

2. Section 2.01 of the Franchise Agreement is amended to add the following:

The payment of the Initial Fee is deferred until such time as the Franchisor has satisfied all of its pre-opening obligations to Franchisee, and Franchisee has commenced doing business.

3. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

4. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

FRANCHISOR: Goliathtech, Inc.	**FRANCHISEE:** _____
By: _____	By: _____
Printed Name: _____	Printed Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

EXHIBIT G TO THE DISCLOSURE DOCUMENT

APPLICATION FOR FRANCHISE

Date: _____

APPLICATION FOR A GOLIATHTECH® FRANCHISE

I/We _____

of _____

hereby submit an application to GoliathTech Inc., 477 boulevard Poirier, Magog, Quebec, J1X 7L1, Canada for a GoliathTech Franchise:

Our GoliathTech Franchise is to be located in:

_____, (the "City"), in the state of _____

This application, once submitted, is subject to the following terms and conditions:

1. Initial Fee for this franchise is $49,500USD payable in cash/check to GoliathTech Inc. no sooner than seven (7) calendar days after receipt of a completed GoliathTech Franchise Agreement and appropriate addendums.

2. I/we acknowledge that I/we have, at least fourteen calendar days, prior to the signing of this Application Agreement, received GoliathTech Inc.'s current form of Franchise Disclosure Document applicable to the State. I/we understand that a completed form of the Franchise Agreement will be provided at least seven business days prior to signing the Franchise Agreement, and that all other terms are to be in accordance with it.

3. I/we have submitted a completed Confidential Qualification Report, including a completed Individual Financial Statement on GoliathTech Inc.'s form and I/we hereby authorize GoliathTech Inc. to conduct an investigation of my/our background(s) to verify the information submitted.

4. I/we acknowledge and understand that submission of this application does not bind or obligate GoliathTech Inc., Inc. to issue a GoliathTech Franchise to me/us.

By: _____	By: _____
(Signature)	(Signature)
_____	_____
Applicant (Print Name)	Applicant (Print Name)

EXHIBIT H TO THE DISCLOSURE DOCUMENT
STATEMENT OF PROSPECTIVE FRANCHISEE

As you know, you and we are entering into a Franchise Agreement for the operation of an GoliathTech Franchised business. The purpose of this Statement is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading, and to be certain that you understand the limitations on claims that may be made by you by reason of the offer and sale of the franchise and operation of your business. Please review each of the following questions carefully and provide honest responses to each question.

Acknowledgements and Representations.

1. Did you receive a copy of our Disclosure Document (and all exhibits and attachments) at least fourteen calendar days prior to signing the Franchise Agreement?
   Check one: (_) Yes (_) No. If no, please comment:
   _____
   _____

2. Have you studied and reviewed carefully, our Disclosure Document and Franchise Agreement?
   Check one: (_) Yes (_) No. If no, please comment:
   _____
   _____

3. Did you understand all the information contained in both the Disclosure Document and Franchise Agreement?
   Check one: (_)Yes (_) No. If no, please comment:
   _____
   _____

4. Was any oral, written or visual claim or representation made to you, which contradicts the disclosures in the Disclosure Document?
   Check one: (_) Yes (_) No. If yes, please state in detail the oral, written or visual claim or representation:
   _____
   _____
   _____

5. Did any employee or other person speaking on behalf of GoliathTech Inc. make any oral, written, or visual claim, statement, promise or representation to you that stated, suggested, predicted or projected sales, revenues, expenses, earnings, income or profit levels at any GoliathTech location or business, or the likelihood of success at your franchise business other than disclosures made in Item 19 of the Franchise Disclosure Document?
   Check one (_) Yes (_) No. If yes, please state in detail the oral, written or visual claim or representation:
   _____
   _____
   _____

_____
_____

5. Did any employee or other person speaking on behalf of GoliathTech Inc. make any statement or promise regarding the costs involved in operating a franchise that is contrary to, or different from, the information contained in the Disclosure Document?

   Check one: (_) Yes (_) No. If yes, please comment:

   _____
   _____
   _____

7. Except as may be stated in Item 19 of the Disclosure Document, did any employee or other person speaking on behalf of GoliathTech Inc. make any oral, written or visual claim, statement, promise or representation to you that stated, suggested, predicted or projected sales, revenues, expenses, earnings, income or profit levels at any GoliathTech location or business or the likelihood of success at your franchised business?

   Check one: (_) Yes (_) No. If yes, please state in detail the oral, written or visual claim or representation:

   _____
   _____

8. Do you understand that the franchise granted is for the right to develop an GoliathTech franchised business in a certain Territory and that we and our affiliates have the right to issue franchises or operate competing businesses for or at locations, as we determine, outside your Territory?

   Check one: (_) Yes (_) No. If no, please comment:

   _____
   _____
   _____

9. Do you understand that the Franchise Agreement and Disclosure Document contain the entire agreement between you and us concerning your GoliathTech franchise rights, meaning that any prior oral or written statements not set out in the Franchise Agreement or Disclosure Document will not be binding?

   Check one: (_) Yes (_) No. If no, please comment:

   _____
   _____
   _____

10. Do you understand that the success or failure of your GoliathTech business will depend in large part upon your skills and experience, your business acumen, your location, the local market for your products and services, the economy, the number of employees you hire, competition and other economic and business factors?

    Check one: (_) Yes (_) No. If no, please comment:

    _____
    _____
    _____

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS STATEMENT, YOU ARE REPRESENTING THAT YOU

HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS. IF MORE SPACE IS NEEDED FOR ANY ANSWER, CONTINUE ON A SEPARATE SHEET AND ATTACH.

NOTE: IF THE RECIPIENT IS A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY, EACH OF ITS PRINCIPAL OWNERS MUST SIGN BELOW.

Signed By: _____ Signed By: _____

Print Name: _____ Print Name: _____

Date: _____ Date: _____

APPROVED ON BEHALF OF
GOLIATHTECH INC.

Signed by: _____
Signed in Magog, Quebec

Title: _____

Note: All representations requiring prospective franchisees to assent to a release, estoppels or waiver of liability are not intended to nor shall they act as a release, estoppels or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

This Statement does not waive any liability the franchisor may have under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	6/22/2022
Hawaii	5/7/2022
Illinois	5/9/2022
Indiana	5/5/2022
Maryland	Pending
Michigan	5/5/2022
Minnesota	7/1/2022
New York	Pending
North Dakota	5/24/2022
Rhode Island	5/14/2022
South Dakota	Pending
Washington	7/14/2022
Wisconsin	5/5/2022

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT I TO THE DISCLOSURE DOCUMENT

RECEIPT

THIS DISCLOSURE DOCUMENT SUMMARIZES CERTAIN PROVISIONS OF THE FRANCHISE AGREEMENT AND OTHER INFORMATION IN PLAIN LANGUAGE. READ THIS DISCLOSURE DOCUMENT AND ALL AGREEMENTS CAREFULLY.

If GoliathTech Inc. offers You a franchise, it must provide this disclosure document to You 14 calendar-days before You sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

[New York and Rhode Island require that We give You this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.]

[Michigan and Oregon require that We give You this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.]

If GoliathTech Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington DC 20580 and the state agencies listed in Exhibit E.

The Issuance Date of this Franchise Disclosure Document is April 29, 2022.

The Franchisor is GoliathTech Inc., 477 boulevard Poirier, Magog, Quebec, J1X 7L1, Canada, Toll Free 855-743-4777.

The franchise sellers for this offering are: Julian Reusing, Sophie Cote, Leigh Hassell; Mayco Quiroz 477 boulevard Poirier, Magog, Quebec, J1X 7L1, Canada and Toll Free 855-743-4777.

I have received a Franchise Disclosure Document dated 29, 2022. This disclosure document included the following Exhibits:

- Exhibit A - Financial Statements
- Exhibit B - Franchise Agreement, with:
  - Addendum A, Location of Licensed Business
  - Addendum B, Territory
  - Addendum C, Assignment of Telephone Number
  - Addendum D, Personal Guaranty
  - Addendum E. Trade Secrets & Confidentiality Agreement
  - Addendum F, Mutual Termination and Release Agreement
- Exhibit C - List of Current and Former Licensees
- Exhibit D - Operations Manuals - Table of Contents
- Exhibit E - List of State Administrators and Agents for Service of Process
- Exhibit F - State Law Addendum
- Exhibit G - Application for Franchise
- Exhibit H - Statement of Prospective Franchisee
- Exhibit I - Receipt for Franchise Disclosure Document

DATED: _____ By: _____

Print Name: _____

RECEIPT

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DATED: _____

By: _____
SIGNATURE

Print Name: _____