

VINCERO CAPITAL CORP.

FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

SEPTEMBER 30, 2019

Unaudited – Prepared by Management

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

November 27, 2019

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

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

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Yours truly,

"Alfredo De Lucrezia"

Alfredo De Lucrezia
President and Chief Executive Officer

VINCERO CAPITAL CORP.
STATEMENT OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
AS AT SEPTEMBER 30, 2019

	Note	September 30, 2019	June 30, 2019
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	4	449,512	474,052
Receivables		1,258	500
Deferred financing costs	10	<u>20,000</u>	<u>20,000</u>
Total assets		470,770	494,552
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		<u>30,237</u>	<u>20,000</u>
Total liabilities		30,237	20,000
Shareholders' equity			
Capital stock	5	500,000	500,000
Deficit		<u>(59,467)</u>	<u>(25,448)</u>
Total shareholders' equity		<u>440,533</u>	<u>474,552</u>
Total liabilities and shareholders' equity		470,770	494,552

Nature and continuance of operations (Note 1)

Approved and authorized by the Board on November 27, 2019:

"Alfredo De Lucrezia" Director "Maurizio Grande" Director

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

VINCERO CAPITAL CORP.**STATEMENT OF OPERATIONS AND COMPREHENSIVE LOSS**

(Expressed in Canadian Dollars)

For the three months ended September 30, 2019 and the period from May 6, 2019 to June 30, 2019

	Note	September 30, 2019	June 30, 2019
		\$	\$
EXPENSES			
Professional fees		18,602	20,000
Licences and fees		8,913	-
Bank charges		6	185
Rent and office expenses		8,471	5,263
		<u>35,992</u>	<u>25,448</u>
Interest income		(1,973)	-
		<u>34,019</u>	<u>25,448</u>
Loss and comprehensive loss for the period			
Loss per common share			
Basic	6	(0.00)	(0.00)
Diluted		(0.00)	(0.00)
Weighted average number of common shares outstanding			
Basic and diluted	6	nil	nil

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

VINCERO CAPITAL CORP.
 STATEMENT OF CASH FLOWS
 (Expressed in Canadian Dollars)
 For the three months ended September 30, 2019 and the period from May 6, 2019 to June 30, 2019

	September 30, 2019	June 30, 2019
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	(34,019)	(25,448)
Changes in non-cash working capital items:		
Increase in receivables	(758)	(500)
Increase in accounts payable and due to related parties	10,237	20,000
Net cash used in operating activities	(24,540)	(5,948)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital stock issued	-	500,000
Deferred financing costs	-	(20,000)
	-	480,000
Increase (decrease) in cash during the period	(24,540)	474,052
Cash and cash equivalents, beginning of period	474,052	-
Cash and cash equivalents, end of period	449,512	474,052

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

VINCERO CAPITAL CORP.
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)

	<u>Capital Stock</u>			
	Number of Shares	Amount	Deficit	Total
		\$	\$	\$
Balance as at May 6, 2019	-	-	-	-
Shares issued on incorporation	1	-	-	-
Shares issued for cash	9,999,999	500,000	-	500,000
Loss for the period	-	-	(25,448)	(25,448)
Balance as at June 30, 2019	10,000,000	500,000	(25,448)	474,552
Balance as at July 1, 2019	10,000,000	500,000	(25,448)	474,552
Loss for the period			(34,019)	(34,019)
Balance as at September 30, 2019	10,000,000	500,000	(59,467)	440,533

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Vincero Capital Corp. (the “Company”) was incorporated on May 6, 2019 under the laws of the Province of British Columbia, Canada, as a Capital Pool Company as defined in the TSX Venture Exchange (“TSX-V”) Policy 2.4. Head office is located at Suite 2201 – 8 Smithe Mews, Vancouver, British Columbia, Canada V6B 0A5. The principal business of the Company is the identification and evaluation of assets, or a business, and once identified or evaluated, to negotiate the acquisition or participation in the business (the “Qualifying Transaction”), subject to, if a non-arm’s length Qualifying Transaction, receipt of majority approval of the minority shareholders and acceptance by regulatory authorities. Until the completion of a Qualifying Transaction, the Company will not carry on any other business.

These financial statements are prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. The continuation of the Company is dependent upon the continuing financial support of shareholders and the completion of a Qualifying Transaction.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards and Interpretations (collectively, “IFRS”), as issued by the International Accounting Standards Board (“IASB”) and the International Financial Reporting Interpretations Committee (“IFRIC”).

These financial statements have been prepared on an historical cost basis, except for financial instruments which are classified as fair value through profit or loss (“FVTPL”), or fair value through other comprehensive income (“FVTOCI”). In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

All amounts on the financial statements are presented in Canadian dollars which is the functional currency of the Company

(b) Financial instruments

The Company classifies its financial instruments in the following categories: as FVTPL, FVTOCI financial assets at amortized cost, and financial liabilities at amortized cost. The classification depends on the purpose for which the financial asset or liabilities were acquired. Management determines the classification of financial assets and liabilities at initial recognition.

(i) Financial assets

Recognition

The Company recognizes financial assets and financial liabilities on the date the Company becomes a party to a contractual provisions of the instruments.

Classification

The Company classifies its financial assets and financial liabilities using the following measurement categories:

- (a) Those to be measured subsequently at fair value (either through other comprehensive income (loss) or through profit or loss); and
- (b) Those to be measured at amortized cost.

The Classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designed as those to be measured subsequently at fair value through profit or loss (an irrevocable

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd...)

(b) Financial instruments (cont'd...)

election at the time of recognition). For assets and liabilities measured at the fair value, gains and losses *are either recorded in profit or loss or other comprehensive income (loss)*.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Cash and cash equivalents are classified as FVTPL and are accounted for at fair value. Cash equivalents include highly liquid investments with original maturities of three months or less, and which are subject to an insignificant risk of change in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

(ii) Financial liabilities

The Company has the following financial liabilities at amortized cost: accounts payable and accrued liabilities.

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest rate method. Interest expense is recorded in profit and loss.

(c) Impairment

(i) Financial assets

The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the assets as the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportable forward-looking information.

(ii) Non-financial assets

Non-financial assets are reviewed quarterly by management for indicators that the carrying value is impaired and may not be recoverable. When indicators of impairment are present the recoverable amount of an asset is evaluated at the CGU level, which is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other groups of assets. The recoverable amount of a CGU is the greater of the CGU's fair value less costs to sell and its value in use. An impairment loss is recognized in profit or loss to the extent that the carrying amount exceeds the recoverable amount.

(d) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects. Common shares issued for consideration other than cash, are valued based on their fair value at the date the shares are issued.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in a private placement to be the more easily measurable component and the common shares are valued at their fair value, as determined by the closing quoted bid price on the announcement date (once a public listing has been obtained). The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as contributed surplus.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd...)

(e) Share-based payment transactions

The Company has a stock option plan that provides for the granting of options to Officers, Directors, related company employees and consultants to acquire shares of the Company. The fair value of the options is measured on grant date and is recognized as an expense with a corresponding increase in contributed surplus as the options vest.

Options granted to employees and others providing similar services are measured on grant date at the fair value of the instruments issued. Fair value is determined using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. The amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. Each tranche in an award with graded vesting is considered a separate grant with a different vesting date and fair value. Each grant is accounted for on that basis.

Options granted to non-employees are measured at the fair value of the goods or services received, unless that fair value cannot be estimated reliably, in which case the fair value of the equity instruments issued is used. The value of the goods or services is recorded at the earlier of the vesting date, or the date the goods or services are received.

On vesting, share-based payments are recorded as an operating expense and as contributed surplus. When options are exercised, the consideration received is recorded as share capital. In addition, the related share-based payments originally recorded as contributed surplus are transferred to share capital. When an option is cancelled, or expires, the initial recorded value is reversed from contributed surplus and charged to deficit.

(f) Income taxes

Income tax expense is comprised of current and deferred income taxes. Current income tax and deferred income tax are recognized in profit or loss, except to the extent that they relate to items recognized directly in equity or equity investments.

Current income tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred income tax assets and liabilities are offset if there is a legally enforceable right to offset current income tax liabilities and assets, and they relate to income taxes levied by the same tax authority for the same taxable entity. A deferred income tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable income will be available against which they can be utilized. Deferred income tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related income tax benefit will be realized.

(g) Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share ("EPS") data for its common shares which excludes shares held in escrow. All escrowed shares are considered to be contingently cancelable until the Company completes a qualifying transaction and accordingly are not considered to be outstanding shares for the purposes of loss per share calculations.

Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by dividing the profit or loss attributable to common shareholders by the weighted average number of common shares outstanding, adjusted for own shares held and for the effects of all potential dilutive common shares related to outstanding stock options and warrants issued by the Company.

VINCERO CAPITAL CORP
NOTES TO THE FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
SEPTEMBER 30, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd...)

(h) Use of estimates and measurement uncertainties

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the measurements of assets, liabilities, revenues, expenses and certain disclosures reported in these financial statements. Significant estimates made by management include the following:

i. Valuation of share-based payments

Management uses the Black-Scholes option pricing model to determine the fair value of employee stock options. This model requires assumptions of the expected future volatility of the Company's common shares, expected life of options, future risk-free interest rates and the dividend yield of the Company's common shares.

ii. Income taxes

Provisions for income and other taxes are based on management's interpretation of taxation laws, which may differ from the interpretation by taxation authorities. Such difference may result in eventual tax payments differing from amounts accrued. Reporting amounts for deferred tax assets and liabilities are based on management's expectation for the timing and amounts of future taxable income or loss, as well as future taxation rates. Changes to these underlying estimates may result in changes to the carrying value, if any, of deferred income tax assets and liabilities.

3. NEW ACCOUNTING PRONOUNCEMENTS

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC that are mandatory for accounting periods beginning after January 1, 2019, or later periods. Updates that are not applicable or are not consequential to the Company have been excluded in the standards listed below.

The Company anticipates that the application of these standards, amendments, revisions and interpretations will not have a material impact on the results and financial position of the Company.

IFRS 16 Leases

IFRS 16 Leases replaces IAS 17 – Leases and requires lessees to account for leases on the statement of financial position by recognizing a right to use asset and lease liability. The standard is effective for annual reports beginning on or after January 1, 2019.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following

	\$	\$
Bank balance	49,512	74,052
Cashable investment certificate	400,000	400,000
	<u>449,512</u>	<u>474,052</u>

VINCERO CAPITAL CORP
NOTES TO THE FINANCIAL STATEMENTS
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5. SHARE CAPITAL

Authorized

Unlimited number of common shares without par value

	Number of shares	Amount
Issued		
Balance, beginning of period	-	\$ -
Issued for cash	10,000,000	500,000
Balance end of period	10,000,000	\$ 500,000

On May 6, 2019, the date of incorporation, the Company issued 1 common share at a price of \$0.05.

On May 31, 2019, the Company completed a common share issue whereby it issued 9,999,999 common shares at a price of \$0.05 per share for gross proceeds of \$500,000.

All of the currently issued and outstanding common shares of the Company, being 10,000,000 common shares, are subject to escrow conditions. Under the Escrow Agreement, 10% of the escrowed common shares will be released from escrow on acceptance by the TSX-V of the Company's Qualifying Transaction and thereafter, an additional 15% every six months for thirty-six months.

Stock options

The Company has adopted an incentive stock option plan (the "Plan"). The essential elements of the Plan provide that the aggregate number of common shares of the Company's capital stock issuable pursuant to options granted under the Plan may not exceed 10% of the issued and outstanding common shares. Options granted under the Plan will have a maximum term of ten years. The exercise price of options granted under the Plan will not be less than the market price of the common shares (defined as the last closing market price of the Company's common shares immediately preceding the day on which the Company announces the granting of the options), or such other price as may be agreed to by the Company and accepted by the TSX-V. Vesting terms are determined by the Board of Directors at the time of grant.

Escrowed securities

The Company has entered into an Escrow Agreement in relation to the 10,000,000 common shares ("Seed Shares") issued as at September 30, 2019 whereby these shares have been placed in escrow.

Upon the Company completing a Qualifying Transaction, the escrowed common shares will be subject to a timed release over a 36-month period. Should a Definitive Agreement not be entered into within 2 years of the listing of the Company's shares on the TSX-V, one-half of the Seed Shares may be subject to cancellation in accordance with TSX-V policy.

6. LOSS PER SHARE

The calculation of basic and diluted loss per share for the three month period ended September 30, 2019 was based on the loss attributable to common shareholders of \$34,019 and a weighted average number of common shares outstanding of "nil" as the common shares are held in escrow and contingently cancelable until the Company completes a qualifying transaction. .

VINCERO CAPITAL CORP
NOTES TO THE FINANCIAL STATEMENTS
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7. RELATED PARTY TRANSACTIONS

The Company's related parties include key management personnel and Directors and companies in which they have control or significant influence over the financial or operating policies. There were no loans to management personnel or Directors, or entities over which they have control or significant influence from incorporation to September 30, 2019.

Key management personnel and Directors receive no salaries, non-cash benefits (other than incentive stock options), or other remuneration directly from the Company, other than noted below, and there are no employment contracts with them that cannot be terminated without penalty on a thirty-day advance notice. Key management personnel and Directors can participate in the Company's stock option plan.

From incorporation on May 6, 2019 to September 30, 2019, no stock options were granted to Officers or Directors.

The Company entered into transactions with related parties during the three month period ended September 30, 2019 as follows:.

Paid charges for rent and office services to its Chief Executive Officer in the amount of \$8,474 (\$5,263 for the period from May 6, 2019 to June 30, 2019).

8. INCOME TAXES

Income tax recovery varies from the amount that would be computed from applying the combined federal and provincial income tax rate to loss before income taxes as follows:

	\$
Loss for the period before income taxes	(34,019)
Statutory Canadian corporate tax rate	27.0%
Anticipated income tax recovery	(9,185)
Change in tax resulting from tax benefits not recognized	9,185
Net deferred income tax recovery	-

As at September 30, 2019, the Company has unused non-capital losses of approximately \$59,467 which may be carried forward to reduce taxable income in future years. The tax benefit of \$16,065 on the losses has not been recognized for tax purposes as there is no certainty that there will be adequate taxable income to utilize the losses

9. CAPITAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Capital management

The Company is a Capital Pool Company and considers items included in shareholders' equity as capital. The Company has no debt. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of underlying assets.

In order to maintain or adjust its capital structure, the Company may issue new shares, purchase shares for cancellation pursuant to normal course issuer bids or make special distributions to shareholders. The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital. The Company has shareholders' equity of \$440,533 as of September 30, 2019.

The Company currently has no source of revenues. The Company's ability to continue as a going concern on a long-term basis and realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation is dependent upon the continuing financial support of shareholders and the completion of a Qualifying Transaction.

9. CAPITAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Cont'd)

Financial instruments - fair value

The Company's financial instruments consist of cash and cash equivalents and accrued liabilities. The carrying value of accrued liabilities and accounts payable to related parties approximated their fair value because of the short-term nature of these instruments.

Financial instruments measured at fair value on the statement of financial position are summarized into the following fair value hierarchy levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's cash and cash equivalents are measured using level 1 inputs.

Financial instruments - risk

The Company's financial instruments can be exposed to certain financial risks, including credit risk and liquidity risk.

(a) Credit risk

The Company is exposed to credit risk by holding cash and cash equivalents, which are all held in financial institutions in Canada, and management believes the exposure to credit risk with respect to such institutions is not significant. The Company has minimal receivable exposure as its refundable credits are due from the Canadian Government.

(b) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company manages this risk by careful management of its working capital to ensure its expenditures will not exceed available resources.

10. AGENCY AGREEMENT

On November 12, 2019, the Company signed an Agency Agreement with PI Financial Corp. (the "Agent") for it to act as the exclusive agent on a commercially reasonable basis with respect to a proposed Initial Public Offering ("IPO") by way of a Prospectus to issue up to 5,000,000 common shares at \$0.10 per common share, for aggregate proceeds of \$500,000 (the "Offering"). The additional funds will be used to locate and fund the purchase of a Qualifying Transaction.

Pursuant to the Agency Agreement, the Agent will receive a 10% commission on the gross proceeds from the Offering. The Agent will also be issued compensation options equal in number to 10% of the number of shares sold under the Offering. Each option will entitle the Agent to purchase one common share at an exercise price of \$0.10 per share for a period of 24 months following the date on which the common shares of the Company are listed on the TSX-V.

In addition, the Company has paid the Agent a \$10,000 (plus GST) finance fee and a \$10,000 retainer to cover the Agent's legal and other expenses related to the Offering. These payments have been reflected on the Statement of Financial Position as deferred financing fees and will be included as share issue costs with the Agent's commissions and the Company's own filing and legal fees, and will be recorded as a reduction of share capital.

In conjunction with the completion of the IPO the Company intends to grant stock options to its Officers and Directors to purchase up to 1,500,000 common shares at a price of \$0.10 per share for a period of 5 years from the date of the listing of the Company's shares on the TSX-V.

11. SUBSEQUENT EVENT

On November 14, 2019 the Company's prospectus was receipted by the British Columbia Securities Commission and the Company became a reporting issuer under the provisions of applicable securities legislation.

The Company's application for the listing of its common shares has been conditionally accepted by the TSX-V and is subject to satisfaction of all of the final filing requirements pursuant to applicable TSX-V policies, including evidence of satisfactory distribution of its securities, by February 12, 2020.