

VINCERO CAPITAL CORP.

**CONDENSED, CONSOLIDATED INTERIM FINANCIAL STATEMENTS
UNAUDITED – PREPARED BY MANAGEMENT
(Expressed in Canadian Dollars)**

**FOR THE THREE MONTHS ENDED
SEPTEMBER 30, 2020**

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

November 6, 2020

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed consolidated 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.
CONSOLIDATED CONDENSED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
(Expressed in Canadian Dollars)

	Note	September 30 2020	June 30, 2020
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	5	781,266	808,356
Receivables		<u>5,687</u>	<u>5,538</u>
Total assets		786,953	813,894
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		<u>45,575</u>	<u>42,093</u>
Total liabilities		45,575	42,093
Shareholders' equity			
Share capital	6	839,148	839,148
Contributed surplus		149,035	149,035
Deficit		<u>(246,805)</u>	<u>(216,382)</u>
Total shareholders' equity		<u>741,378</u>	<u>771,801</u>
Total liabilities and shareholders' equity		786,953	813,894

Nature and continuance of operations (Note 1)
Subsequent event (Note 11)

Approved and authorized by the Board on November 6, 2020

"Alfredo De Lucrezia" Director "Maurizio Grande" Director

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

VINCERO CAPITAL CORP.
CONSOLIDATED, CONDENSED STATEMENT OF OPERATIONS AND COMPREHENSIVE LOSS (UNAUDITED)
(Expressed in Canadian Dollars)

	Note	For the three months ended September 30, 2020	For the three months ended September 30, 2019
		\$	\$
EXPENSES			
Professional fees		19,239	18,602
Licences and fees		682	8,913
Bank charges		34	6
Rent and office expenses		10,468	8,471
		(30,423)	(35,992)
Interest income		-	1,973
Loss and comprehensive loss for the period		(30,423)	(34,019)
Loss per common share			
Basic		(0.00)	(0.00)
Diluted		(0.00)	(0.00)
Weighted average number of common shares outstanding			
Basic and diluted	6,7	5,000,000	Nil

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

VINCERO CAPITAL CORP.
CONSOLIDATED, CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)
(Expressed in Canadian Dollars)

	For the three months ended September 30, 2020	For the three months ended September 30, 2019
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	(30,423)	(34,019)
Changes in non-cash working capital items:		
Increase in receivables	(149)	(758)
Increase in accounts payable and due to related parties	3,482	10,237
Net cash used in operating activities	(27,090)	(24,540)
Decrease in cash during the period	(27,090)	(24,540)
Cash and cash equivalents, beginning of period	808,356	474,052
Cash and cash equivalents, end of period	781,266	449,512

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

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

	<u>Share Capital</u>				
	Number of Shares	Amount \$	Contributed Surplus \$	Deficit \$	Total \$
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
Balance as at July 1, 2020	5,000,000	839,148	149,035	(216,382)	771,801
Loss for the period	-	-	-	(30,423)	(30,423)
Balance as at September 30, 2020	15,000,000	839,148	149,035	(246,805)	741,378

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

VINCERO CAPITAL CORP

NOTES TO THE CONSOLIDATED, CONDENCED FINANCIAL STATEMENTS (UNAUDITED)

(Expressed in Canadian Dollars)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020

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. As at June 30, 2020, the Company’s management believes it has sufficient cash to satisfy its financial obligations for the next 12 months. The continuation of the Company is dependent upon the continuing financial support of shareholders and the completion of a Qualifying Transaction.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or ability to raise funds.

2. BASIS OF PRESENTATION

These consolidated financial statements, including comparatives, have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”). The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation

These consolidated financial statements include the financial statements of the Company and its wholly-owned subsidiary. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All significant intercompany

VINCERO CAPITAL CORP

NOTES TO THE CONSOLIDATED, CONDENCED FINANCIAL STATEMENTS (UNAUDITED)

(Expressed in Canadian Dollars)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Financial instruments

Financial assets

The Company will classify financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss, based on its business model for managing the financial asset and the financial asset's contractual cash flow characteristics. The three categories are defined as follows:

- i) Amortized cost - a financial asset is measured at amortized cost if both of the following conditions are met:
 - the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and
 - the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- ii) Fair value through other comprehensive income - financial assets are classified and measured at fair value through other comprehensive income if they are held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- iii) Fair value through profit or loss - any financial assets that are not held in one of the two business models mentioned are measured at fair value through profit or loss.

When, and only when, the Company changes its business model for managing financial assets it must reclassify all affected financial assets.

The Company's financial assets are comprised of cash and receivables. Cash is measured at fair value and receivables are measured at amortized cost.

Financial liabilities

The Company's liabilities include accounts payable and accrued liabilities which are measured at amortized cost. After initial recognition, an entity cannot reclassify any financial liability.

Impairment

The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments on whether there has been a significant increase in credit risk. For receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivable

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. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as contributed surplus.

VINCERO CAPITAL CORP

NOTES TO THE CONSOLIDATED, CONDENCED FINANCIAL STATEMENTS (UNAUDITED)

(Expressed in Canadian Dollars)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Stock-based compensation

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 the 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 the grant date at the fair value of the options 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.

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.

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 CONSOLIDATED, CONDENCED FINANCIAL STATEMENTS (UNAUDITED)**

(Expressed in Canadian Dollars)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**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.

4. 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 on, or after January 1, 2019. 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

Effective July 1, 2019, the Company applied IFRS 16, Leases, which replaced the previous leases standard, IAS 17, Leases. IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and, instead, introduces a single lessee accounting model. The Company has assessed that there are no leased assets subject to this standard and therefore, the application of this standard did not have a significant impact on the Company's financial statement presentation.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

	September30, 2020	June, 30, 2020
	\$	\$
Bank balance	375,188	402,945
Guaranteed investment certificate	406,078	405,411
	<u>781,266</u>	<u>808,356</u>

VINCERO CAPITAL CORP

NOTES TO THE CONSOLIDATED, CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

(Expressed in Canadian Dollars)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020

6. SHARE CAPITAL

Authorized

Unlimited number of common shares without par value

On February 7, 2020, the Company completed its Initial Public Offering (“IPO”) by way of a Prospectus through its agent, PI Financial Corp. (the “Agent”). The Company issued 5,000,000 common shares at \$0.10 per share, for aggregate proceeds of \$500,000 (the “Offering”). The Agent was paid a \$50,000 commission of which \$20,000 was included as a deferred financing cost, paid in advance during the year ended June 30, 2019, a \$10,000 finance fee, \$13,142 to cover its legal and other expenses related to the Offering and was issued 500,000 compensation options. Each option entitles the Agent to purchase one common share at an exercise price of \$0.10 per share until February 7, 2022.

In addition, filing fees of \$15,000 and legal fees and other expenses of \$35,450 were paid related to the Offering. The total share issue costs were recorded as a reduction of share capital.

In conjunction with the completion of the IPO the Company granted 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 five (5) years expiring on February 7, 2025. If any options are exercised before a Qualifying Transaction has been completed, the Optionee must agree in writing that the shares acquired be held in escrow until the issuance of a Final Exchange Bulletin confirming the completion of a Qualifying Transaction.

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.

10,000,000 of the currently issued and outstanding common shares of the Company, 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.

VINCERO CAPITAL CORP**NOTES TO THE CONSOLIDATED, CONDENCED FINANCIAL STATEMENTS (UNAUDITED)**

(Expressed in Canadian Dollars)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020

6. SHARE CAPITAL (Cont'd)

Stock option transactions are summarized as follows:

Directors and Officers Options	Number	Exercise Price	Expiry Date
Outstanding, June 30, 2020	1,500,000	\$0.10	February 7, 2025
Granted during the period	-	-	-
Outstanding, September 30, 2020	1,500,000	\$0.10	February 7, 2025
Agent's Options			
Outstanding, June 30, 2020	500,000	\$0.10	February 7, 2025
Granted during the period	-	-	-
Outstanding, September 30, 2020	500,000	\$0.10	February 7, 2022

During the period from incorporation on May 6, 2019 to September 30, 2019, no directors, officers or agent's options were granted.

The Company recorded the fair value of all options granted during the period using the Black-Scholes pricing model employing the following assumptions:

- Expected life of options (directors and officers, 5 years) and (Agent's, 2 years)
- Stock price volatility (directors, officers and Agent's 100%)
- Risk free interest rate (directors, officers and Agent's 1.34%)

The fair value of the directors and officers options was determined to be \$111,775 which was recorded as an operating expense and the fair value of the Agent's options was determined to be \$37,260 which was recorded as a reduction of share capital.

Contributed surplus

Contributed surplus includes the accumulated fair value of stock options recognized as share-based payments and the fair value of options and warrants issued on private placements. Contributed surplus is increased by the fair value of these items and is reduced by corresponding amounts when options or warrants expire or are exercised or cancelled.

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, 2020, these shares remain 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.

7. LOSS PER SHARE

The calculation of basic and diluted loss per share for the year ended June 30, 2020 and the period ended June 30, 2019 was based on the loss attributable to common shareholders of \$190,934 (\$25,448 – 2019) and a weighted average number of common shares outstanding of 1,967,213 (Nil – 2019). The common shares held in escrow are contingently cancellable until the Company completes a qualifying transaction and as such are not included in the calculation of weighted average number of shares outstanding.

VINCERO CAPITAL CORP

NOTES TO THE CONSOLIDATED, CONDENCED FINANCIAL STATEMENTS (UNAUDITED)

(Expressed in Canadian Dollars)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020

8. 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 during the three month periods ended September 30, 2020 and 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.

The Company entered into transactions with related parties during the period ended September 30, 2020 as follows:

- a) Paid or accrued charges for rent and office services to its Chief Executive Officer in the amount of \$10,469.

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

- a) Paid or accrued charges for rent and office services to its Chief Executive Officer in the amount of \$8,474.

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 \$741,378 as of September 30, 2020 (\$771,801– June 30, 2020).

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.

VINCERO CAPITAL CORP

NOTES TO THE CONSOLIDATED, CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

(Expressed in Canadian Dollars)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020

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. BUSINESS COMBINATION AGREEMENT

On August 28, 2020, Vincero entered into a definitive agreement (the "Business Combination Agreement") with NewGen Therapeutics, Inc. ("NewGen"), pursuant to which Vincero will acquire certain worldwide rights (excluding China) to the PARP Inhibitor Program Technology (the "Significant Assets") to complete Vincero's Qualifying Transaction (the "Transaction") in accordance with the policies of the TSX Venture Exchange (the "Exchange"). The Business Combination Agreement replaces the letter of intent between Vincero and NewGen with respect to the Transaction.

The Transaction will constitute Vincero's "Qualifying Transaction" as defined under Exchange Policy 2.4. The Transaction will be carried out by parties dealing at arm's length to one another and therefore will not be considered to be a "Non-Arm's Length Qualifying Transaction", as such term is defined under the policies of the Exchange. As a result, a formal meeting of Vincero's shareholders to approve the Transaction will not be required, although receipt of Exchange acceptance will be a condition of closing.

Pursuant to the Business Combination Agreement, Vincero has formed a subsidiary (the "Vincero Subco"), and NewGen has formed a subsidiary ("Subco"). NewGen will then transfer the Significant Assets to Subco. Thereafter, Subco and Vincero Subco will amalgamate (the "Amalgamation") ("AmalCo"), with AmalCo to become a wholly-owned subsidiary of Vincero.

VINCERO CAPITAL CORP

NOTES TO THE CONSOLIDATED, CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

(Expressed in Canadian Dollars)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020

10. BUSINESS COMBINATION AGREEMENT (Cont'd)

In connection with the Transaction, the parties intend to carry out certain concurrent transactions including the Private Placement (as described below). The concurrent closing of the Transaction and the Private Placement (collectively, the “Closing”) is presently targeted to occur on or before December 28, 2020. On Closing, the resulting entity (the “Resulting Issuer”) shall change senior management and directors, and will change its name to complement the business of the Resulting Issuer.

Subject to Exchange acceptance, the completion of the Private Placement (as described below), and the satisfaction of other conditions contained in the Business Combination Agreement, the Resulting Issuer will issue on Closing 30,000,000 common shares to NewGen at a deemed price of \$0.20 per share.

Pursuant to the Business Combination Agreement, prior to the Amalgamation, Subco intends to complete a private placement (the “Private Placement”) of approximately 12,500,000 subscription receipts (each a “Subscription Receipt”) at a price of \$0.20 per Subscription Receipt (or such other price as may be agreed to by Vincero and NewGen), for aggregate gross proceeds of up to \$2,500,000. Each Subscription Receipt will entitle the holder thereof to receive, upon satisfaction of certain escrow release conditions on or before the escrow release deadline, and without payment of additional consideration, one unit in the capital of Subco (each a “Unit”). Each Unit will consist of one Subco Share and one-half (1/2) of a share purchase warrant, with each whole warrant to entitle the holder thereof to purchase one Subco Share at an exercise price of \$0.40 per Subco Share for a period of 24 months following the Closing (or such other period of time as may be agreed to by Vincero and NewGen).

As a result of the Amalgamation:

- (a) the holders of Subco Shares shall become holders of Vincero Shares;
- (b) the holders of Subco warrants shall become holders of Vincero warrants; and
- (c) Vincero shall become the holder of all of the issued and outstanding AmalCo shares.