

Winston Capital Group Inc.
(A Capital Pool Company)

Condensed Interim Financial Statements

For the Nine Months Ended September 30, 2019

(Expressed in Canadian Dollars)

(UNAUDITED)

Winston Capital Group Inc.

Condensed Interim Financial Statements For the Nine Months Ended September 30, 2019 (Expressed in Canadian Dollars)

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Winston Capital Group Inc.
Condensed Interim Financial Statements
For the Nine Months Ended September 30, 2019

Notice of No Auditors Review of Interim Financial Statements

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited financial statements for the nine-month period ended September 30, 2019 which have been prepared by and are the responsibility of the Company's management.

APPROVED ON BEHALF OF THE BOARD on November 29, 2019.

/s/ John Gamble

"John Gamble"
_____ Director

/s/ Bruce Bent

"Bruce Bent"
_____ Director

Winston Capital Group Inc.
Interim Statements of Financial Position
As At September 30, 2019 and December 31, 2018

	Notes	As at Sept 30, 2019 (unaudited) \$	As a Dec 31, 2018 (audited) \$
Assets			
Current Assets			
Cash		407,492	89,133
Receivables	2	11,791	-
		419,283	89,133
Liabilities and Shareholders' Equity (Deficiency)			
Current Liabilities			
Accounts payable and accrued liabilities	2	5,299	30,000
		5,299	30,000
Shareholders' Equity (Deficiency)			
Share capital	5	625,000	125,000
Contributed surplus		23,949	-
Deficit		(234,965)	(65,867)
		413,984	(59,133)
		419,283	89,133

Approved on behalf of the Board

_____, Director
 "Bruce Bent"

_____, Director
 "John Gamble"

Winston Capital Group Inc.
Interim Statements of Operations and Comprehensive Loss
For the Nine Months Ended Sept 30, 2019

	Note	Three Months Ended Sept 30, 2019 (unaudited) \$	Nine Months Ended Sept 30, 2019 (unaudited) \$
Expenses			
Professional and administrative		20,706	145,149
Stock-based compensation	2	7,983	23,949
Net and Comprehensive loss		28,689	169,098
Basic and diluted weighted average number of shares:	6	7,500,000	7,500,000
Basic and diluted loss per share:		(\$0.004)	(\$0.023)

No prior period comparison activity has been provided as the Corporation was not in existence during the reported period in the prior year.

Winston Capital Group Inc.
Interim Statements of Changes in Shareholders' Equity
For the Nine Months Ended Sept 30, 2019

	Common Shares Amount	Common Shares \$	Contributed Surplus \$	(Deficit) \$	Total Shareholders' Equity \$
Balance at October 22, 2018 (Inception)	-	-	-	-	-
Common shares issued for cash	2,500,000	125,000	-	-	125,000
Net and comprehensive loss for the period	-	-	-	(65,867)	(65,867)
Balance at December 31, 2018	2,500,000	125,000	-	(65,867)	(59,133)
Common shares issued for cash	5,000,000	500,000	-	-	500,000
Stock-based compensation	-	-	7,983	-	7,983
Net and comprehensive loss for the period	-	-	-	(118,515)	(118,515)
Balance at March 31, 2019	7,500,000	625,000	7,983	(184,382)	448,601
Common shares issued for cash	-	-	-	-	-
Stock-based compensation	-	-	7,983	-	7,983
Net and comprehensive loss for the year	-	-	-	(21,894)	(21,894)
Balance at June 30, 2019	7,500,000	625,000	15,966	(206,276)	434,690
Stock-based compensation	-	-	7,983	-	7,983
Net and comprehensive loss for the year	-	-	-	(28,689)	(28,689)
Balance at Sept 30, 2019	7,500,000	625,000	23,949	(234,965)	413,984

The accompanying notes form an integral part of these unaudited condensed interim financial statements.

Winston Capital Group Inc.
Interim Statements of Cash Flows
For the Nine Months Ended Sept 30, 2019
(Unaudited)

	Three Months Ended Sept 30, 2019 \$	Nine Months Ended Sept 30, 2019 \$
Operating activities		
Net loss for the period	(28,689)	(169,098)
Non-cash stock-based compensation expense	7,983	23,949
Changes in non-cash working capital		
Accounts receivable	(3,356)	(11,791)
Accounts payable and accrued liabilities	4,552	(24,701)
	(19,510)	(181,641)
Financing activities		
Common shares issued	-	500,000
	-	500,000
Net decrease in cash	(19,510)	318,359
Cash, beginning of period	427,002	89,133
Cash, end of period	407,492	407,492

No prior period comparison activity has been provided as the Corporation was not in existence during the reported period in the prior year.

Winston Capital Group Inc.

Notes to the Condensed Interim Financial Statements

For the Nine Months Ended September 30, 2019

1. Company Information and Formation

Winston Capital Group Inc. (the "Corporation") was incorporated on October 22, 2018 pursuant to the provisions of the Business Corporations Act (Alberta). The Corporation is classified as a Capital Pool Corporation ("CPC") as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange"). The principal business of the Corporation will be to identify and evaluate assets or businesses with a view to potentially acquire them or an interest therein by completing a purchase transaction, by exercising of an option, or by any concomitant transaction. The purpose of such an acquisition is to satisfy the related conditions of a qualifying transaction under the Exchange rules.

The head office and registered office of the Corporation is located at Suite 1600, 333–7th Avenue SW, Calgary Alberta, T2P 2Z1.

Where an acquisition or participation is warranted, additional funding may be required. The ability of the Corporation to fund its potential future operations and commitments is dependent upon the ability of the Corporation to obtain additional financing. There is no assurance that the Corporation will identify a business or asset that warrants acquisition or participation within the time limitations permissible under the policies of the Exchange, at which time the Exchange may suspend or de-list the Corporation's shares from trading.

The Corporation has signed an engagement letter with Mackie Research Capital Corporation ("Mackie") under which Mackie will act as agent (the "Agent") in connection with the initial public offering (the "Offering") of common shares on a commercially reasonable best efforts basis. The Corporation accrued and expensed \$25,000 of non-refundable work fees relating to this engagement.

On February 28, 2019, the Corporation completed its initial public offering issuing 5,000,000 common shares at \$0.10 for total gross proceeds of \$500,000.

On March 5, 2019, the Corporation's shares commenced trading on the Toronto Venture Exchange under the stock symbol "WNST.P".

The Condensed Interim Financial Statements were approved by the Board of Directors on November 29, 2019.

2. Basis of Presentation

Statement of Compliance with International Financial Reporting Standards

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). Accordingly, they do not include all of information required for full annual financial statements. The accounting policies adopted are consistent with those of the previous financial period.

Basis of Measurement, Functional and Presentation Currency

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

Cash

Cash includes deposits in trust with Burstall LLP and is classified as financial assets at amortized cost.

The accompanying notes form an integral part of these unaudited condensed interim financial statements.

Winston Capital Group Inc.

Notes to the Condensed Interim Financial Statements

For the Nine Months Ended September 30, 2019

2. Basis of Presentation (continued)

Accounts payable and accrued liabilities

Accounts payable and accrued liabilities are classified as financial liabilities at amortized cost and are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

Financial Instrument Risk

The Corporation, as part of its operations, carries financial instruments consisting of cash and accounts payable and accrued liabilities. It is management's opinion that the Corporation is not exposed to significant credit, liquidity, or market risks arising from these financial instruments.

Critical Accounting Judgments, Estimates and Assumptions

The preparation of these condensed interim financial statements conforms with IFRS requirements that management make certain estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, and reported expenses during the period. These estimates and judgments are at times uncertain. The impacts of such estimates are pervasive throughout the condensed interim financial statements and may result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from estimates made.

Management has made estimates which relate to, but are not limited to, the following:

- (i) The recoverability of accounts receivable that are included in the statements of financial position;
- (ii) The Company uses Black-Scholes for the purpose of warrant and stock option valuation.

Share Based Payments

IFRS 2 requires equity-based payments to employees and others providing similar services to be measured at the fair value of goods or services received, unless that fair value cannot be estimated with confidence. If the entity cannot estimate the fair value of the goods or services received, the Company measures the value and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted. The Company uses the Black-Scholes option-pricing model for valuation. The fair value of the equity instrument granted is as at the grant date.

Share Capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of common shares are recognized as a deduction from equity, net of any tax effects.

Accounts Receivables

Accounts receivable are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and include the Company's accounts receivable. Receivables are initially recorded at fair value and subsequently carried at amortized cost using the effective interest rate method less provisions for impairment. The Company's accounts receivable is comprised of HST recoverable and other receivables and are included in current assets due to their short-term nature.

The accompanying notes form an integral part of these unaudited condensed interim financial statements.

Winston Capital Group Inc.
Notes to the Condensed Interim Financial Statements
For the Nine Months Ended September 30, 2019

2. Basis of Presentation (continued)

Earnings (Loss) per Share

Basic earnings (loss) per share is computed by dividing the net income (loss) attributable to common shareholders of the Company by the weighted average number of common shares issued and outstanding during the period. Diluted earnings (loss) per share is determined by adjusting the weighted average number of common shares outstanding during the period for the effects of dilutive instruments such as stock options granted.

The number of additional shares is calculated by assuming that all convertible securities outstanding were exercised and that the proceeds from such exercises were used to acquire common shares at the average market price during the reporting period. Diluted earnings (loss) per share considers the dilutive impact of the exercise of warrants and broker warrants, as if the event has occurred at the beginning of the period. Diluted loss per share has not been presented in the accompanying condensed interim financial statements as the results would be anti-dilutive.

3. Risk Management

Capital Risk Management

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Corporation. These restrictions may apply until completion of a Qualifying Transaction by the Corporation as defined under the policies of the Exchange.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business. The Company may manage its capital structure by issuing securities, financial instruments, repurchasing outstanding shares, adjusting capital spending or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis. The Company reviews its working capital and forecasts its future cash flows based on investing and financing activities. The forecast is updated based on activities related to acquisition opportunities. Information is provided to the Board of Directors by Management on a monthly or ad hoc basis.

The following amounts, included in the statements of financial position, make up the Company's capital:

	Nine months ending
	September 30,
	2019
	\$
Share capital	625,000
Total Capital	625,000

No prior period comparison activity has been provided as the Corporation was not in existence during the reported period in the prior year.

The accompanying notes form an integral part of these unaudited condensed interim financial statements.

Winston Capital Group Inc.
Notes to the Condensed Interim Financial Statements
For the Nine Months Ended September 30, 2019

4. Financial Instruments

Financial Risk Management

The Company's activities expose it to various types of risk which are associated with the financial instruments held by the Company. These risks include liquidity risk. The following summary is not intended to be a comprehensive summary of all risks inherent in the Company.

Liquidity Risk

Liquidity risk considers the possibility that the Company may not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. Generally, the Company's financial liabilities have contractual maturities of less than 30 days.

	Carrying Amount \$	Cash Flows \$	<1 year \$	1-2 years \$	2-5 years \$	>5 years \$
Accounts payable and accrued liabilities	5,299	5,299	5,299	-	-	-
	5,299	5,299	5,299	-	-	-

5. Share Capital

i) Common Shares Authorized:

Unlimited number of common shares.

ii) Common Share Rights:

The holders of common shares are entitled to vote at meetings of shareholders, receive dividends, and are subject to the prior rights, privileges and conditions attaching to the special shares, to receive the remaining property of the corporation upon dissolution, liquidation or winding up of the corporation.

iii) Common Shares Issued:

7,500,000 common shares with no par value.

Between October 22, 2018 and December 31, 2018, the Corporation raised \$125,000 by issuing 2,500,000 founders' shares at \$0.05 per share.

All of the common shares issued are held in escrow until completion of a Qualifying Transaction. 10% of the common shares held in escrow will be released on the issuance of the Final Exchange Bulletin (as defined under the policies of the Exchange) and an additional 15% will be released on the dates 6 months, 12 months, 18 months, 24 months, 30 months, and 36 months following the initial release. These common shares, which are considered contingently issuable until the Corporation completes a Qualifying Transaction, are not considered to be outstanding for the purpose of the loss per share calculation.

On February 28, 2019, the Corporation completed its initial public offering issuing 5,000,000 common shares at \$0.10 for total gross proceeds of \$500,000.

The accompanying notes form an integral part of these unaudited condensed interim financial statements.

Winston Capital Group Inc.
Notes to the Condensed Interim Financial Statements
For the Nine Months Ended September 30, 2019

5. Share Capital (continued)

Warrant and Option Valuation

The Company uses the Black-Scholes fair valuation option pricing model when calculating a share option grant or common share purchase warrant value when the common share purchase warrant forms part of a unit of securities. The valuation is dependent on a number of estimates, including the risk-free interest rate and the level of share volatility. Option and warrant pricing models require the input of highly subjective assumptions including the expected price volatility. The level of share volatility was calculated with reference to the historic traded daily closing share price of the Company. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable measure of the fair value of the Company's common share purchase warrants.

Stock Options

On December 5, 2018 the Company adopted a Stock Option Plan (the "Plan") which it is authorized to grant options to purchase common shares of the Company to directors, senior officers, employees and/or consultants of the Company. The aggregate number of shares of the Company which may be issued and sold under the Plan will not exceed 10% of the total number of common shares issued and outstanding from time to time. Share options are granted with a maximum term of ten years with vesting requirements at the discretion of the Board of Directors.

The following tables provides information about outstanding stock options at September 30, 2019:

	2019	
	Number of Options	Weighted Average Exercise Price \$
Beginning balance	-	-
Issued	1,250,000	0.10
Exercised	-	-
Forfeited	-	-
Ending balance	1,250,000	0.10

Exercisable options		
Weighted average outstanding maturity period (years)	Number of options	Exercise price \$
2	500,000	0.10
10	750,000	0.10
7	1,250,000	0.10

The accompanying notes form an integral part of these unaudited condensed interim financial statements.

Winston Capital Group Inc.
Notes to the Condensed Interim Financial Statements
For the Nine Months Ended September 30, 2019

5. Share Capital (continued)

On March 5, 2019 the Company granted 1,250,000 incentive stock options under its stock option plan to several directors, employees and consultants. The stock options are exercisable until March 5, 2029.

Total	750,000	500,000
Expected volatility	111%	111%
Expected life	10 Years	2 years
Expected forfeiture rate	5%	5%
Risk-free interest rate	1.88%	1.74%
Dividend yield	Nil	Nil
Share price	\$0.35	\$0.35
Weighted average fair value of options at grant date	\$0.33	\$0.28

6. Earnings/Loss Per Share

Basic and diluted loss per share has been calculated as follows:

		Sept 30, 2019
Numerator	Net Loss Allocated to Common Shareholders	(169,098)
Denominator	Weighted Average Number of Outstanding Shares	7,500,000
Loss Per Share		(0.023)

Diluted loss per share did not include the effect of the share options and warrants outstanding respectively as they are anti-dilutive.