

**Cherry Street Capital
Inc.**
(A Capital Pool Company)

**Unaudited Condensed
Interim Financial Statements**

**For the Three and Nine Months Ended
September 30, 2020 and 2019**
(In Canadian Dollars)

Notice of No Auditor Review of the Interim Financial Statements

The accompanying unaudited condensed interim financial statements of the Corporation have been prepared by and are the responsibility of the Corporation's management. The Corporation's independent auditor has not performed a review of these financial statements in accordance with standards established by the CPA Canada for a review of interim financial statements by an entity's auditor.

Cherry Street Capital Inc.
Unaudited Condensed Interim Statements of Financial Position
(in Canadian dollars)

As at	September 30, 2020	December 31, 2019
Current assets		
Cash held in trust	\$ 766,767	\$ 794,063
Total current assets	766,767	794,063
Current Liabilities		
Accrued liabilities	1,986	1,092
Total current liabilities	1,986	1,092
Shareholders' equity		
Share Capital, net of issuance costs (note 3)	897,076	897,076
Contributed surplus	142,462	142,462
Accumulated deficit	(274,757)	(246,567)
Total Shareholders' equity	764,781	792,971
Total liabilities and shareholders' equity	\$ 766,767	\$ 794,063

Subsequent events – Note 6

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

Approved by the Board **Rudy Cheddie**
Director **(Signed)**

 Joseph Del Moral
Director **(Signed)**

Cherry Street Capital Inc.
Unaudited Condensed Interim Statements of Loss and Comprehensive Loss
For the Three Months and Nine Months Ended September 30, 2020 and 2019
(in Canadian dollars)

	Three month period ended September 30, 2020	Three month period ended September 30, 2019	Nine month period ended September 30, 2020	Nine month period ended September 30, 2019
Expenses				
Professional fees	\$ 7,551	\$ 450	\$ 17,301	\$ 11,401
Listing fees	(324)	648	10,889	11,399
Net loss and comprehensive loss	\$ (7,227)	\$ (1,098)	\$ (28,190)	\$ (22,800)
Net loss per share (basic and diluted)	\$ (0.01)	\$ (0.00)	\$ (0.03)	\$ (0.02)
Weighted average number of shares outstanding (basic and diluted)	1,050,000	1,050,000	1,050,000	1,050,000

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

Cherry Street Capital Inc.
Unaudited Condensed Interim Statements of Changes in Shareholders' Equity
For the Nine Months Ended September 30, 2020 and 2019
(in Canadian dollars)

	Number of shares	Share capital	Contributed Surplus	Accumulated deficit	Total Shareholders' Equity
Balance at January 1, 2019	3,050,000	\$897,076	\$142,462	\$(217,672)	\$821,866
Net loss for the period	-	-	-	(22,800)	(22,800)
Balance, September 30, 2019	3,050,000	\$897,076	\$142,462	\$(240,472)	\$799,066
Balance at January 1, 2020	3,050,000	\$897,076	\$142,462	\$(246,567)	\$792,971
Net loss for the period	-	-	-	(28,190)	(28,190)
Balance, September 30, 2020	3,050,000	\$897,076	\$142,462	\$(274,757)	\$764,781

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

Cherry Street Capital Inc.
Unaudited Condensed Interim Statements of Cash Flows
For the Nine Months Ended September 30, 2020 and 2019
(in Canadian dollars)

	For the Nine Month Period Ended September 30, 2020	For the Nine Month Period Ended September 30, 2019
Cash provided by (used in)		
Operating activities		
Net loss for the period	\$ (28,190)	\$ (22,800)
Change in accrued liabilities	894	(12,015)
Cash Used in Operating Activities	(27,296)	(34,815)
Net change in cash	(27,296)	(34,815)
Cash beginning of period	794,063	834,763
Cash end of period	\$ 766,767	\$ 799,948

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

Cherry Street Capital Inc.
Notes to the Unaudited Condensed Interim Financial Statements
For the Three and Nine Months Ended September 30, 2020 and 2019
(in Canadian dollars)

1. INCORPORATION AND NATURE OF OPERATIONS

Cherry Street Capital Inc. (the "Corporation") was incorporated under the Business Corporations Act (Ontario) on June 5, 2017 and is a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange") Corporate Finance Manual. The principal business of the Corporation is the identification and evaluation of assets or businesses with a view to complete a Qualifying Transaction ("QT"). The Corporation has not commenced commercial operations and has no assets other than cash held in trust. Given the nature of the activities, no separate segmented information is reported. The Corporation's continuing operations, as intended, are dependent on its ability to secure equity financing with which it intends to identify and evaluate potential acquisitions of businesses, and once identified and evaluated, to negotiate an acquisition thereof or participation therein subject to receipt of regulatory and, if required, shareholders' approval.

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 up to the lesser of 30% of the gross proceeds realized by the Corporation in respect of the sale of its securities or \$210,000, may be used for purposes other than evaluating businesses or assets. These restrictions apply until completion of a QT by the Corporation. The Corporation is required to complete its QT on or before two years from the date the shares of the Corporation were first listed on the Exchange.

On September 29, 2020, the Corporation was suspended from trading by the Exchange for failing to complete a QT within 24 months from the date of listing.

The head office and the registered head office of the Corporation is located at 77 King Street, suite 700, Toronto, ON M5K 1G8.

On November 27, 2020 the Board of Directors approved the unaudited condensed interim financial statements for the three and nine months ended September 30, 2020 and 2019.

The global outbreak of COVID-19 (coronavirus) has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Corporation as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These unaudited interim condensed financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Cherry Street Capital Inc.
Notes to the Unaudited Condensed Interim Financial Statements
For the Three Months and Nine Months Ended September 30, 2020 and 2019
(in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Statement of Compliance (continued)

These unaudited condensed interim financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable, by the measurement at fair value of selected non-current assets, financial assets, and financial liabilities. These unaudited condensed interim financial statements are presented in Canadian dollars, which is the Corporation's functional and presentation currency.

The accounting policies applied by the Corporation in these unaudited condensed interim financial statements are the same as those applied by the Corporation in audited financial statements for the years ended December 31, 2019 and 2018.

3. SHARE CAPITAL

Authorized

Unlimited common shares

Issued	#	\$
2,000,000 common shares (i)	2,000,000	\$ 500,000
1,050,000 common shares (ii)	1,050,000	525,000
Cost of issuance-cash		(100,051)
Cost of issuance-share based payment		(27,873)
Balance, September 30, 2020 and December 31, 2019	3,050,000	\$ 897,076

Escrowed Shares

(i) During the period ended December 31, 2017, the Corporation issued 2,000,000 common shares at \$0.25 per share for total proceeds of \$500,000.

The 2,000,000 issued common shares will be held in escrow pursuant to the requirements of the Exchange.

All common shares acquired on exercise of stock options granted to directors and officers prior to the completion of a Qualifying Transaction, must also be deposited in escrow until the final exchange bulletin is issued. As a result, the escrow shares have not been contemplated in the weighted-average shares outstanding calculation.

All common shares of the Corporation acquired in the secondary market prior to the completion of a Qualifying Transaction by a Control Person, as defined in the policies of the Exchange, are required to be deposited in escrow. Subject to certain permitted exemptions, all securities of the Corporation held by principals of the resulting issuer will also be subject to escrow.

Cherry Street Capital Inc.
Notes to the Unaudited Condensed Interim Financial Statements
For the Three Months and Nine Months Ended September 30, 2020 and 2019
(in Canadian dollars)

3. SHARE CAPITAL (continued)

Initial Public Offering

(ii) On September 27, 2018, the Corporation completed an initial public offering (“IPO”) of 1,050,000 common shares at \$0.50 per share (\$525,000). The Corporation paid a commission of 10% of gross proceeds to the Agent (Canaccord Genuity Corp.) and granted the Agent an option purchase up to 105,000 of the common shares issued in the offering exercisable for a period ending twenty-four months from the date the Corporation’s Common Shares are listed on the TSX Venture Exchange, exercisable at \$0.50 per share. The Corporation also reimbursed the Agent for legal fees and other reasonable expenses incurred pursuant to the Offering.

Options

The Corporation has established a stock option plan for its directors, officers and consultants under which the Corporation may grant options from time to time to acquire a maximum of 10% of the issued and outstanding common shares. The options shall not result at any time: (i) the number of shares reserved for issuance pursuant to options granted to Insiders exceeding 10% of the issued and outstanding shares ii) the grant to Insiders within a 12 month period, of a number of options exceeding 10% of outstanding shares or iii) the grant to any one (1) Optionee within a 12 month period, of a number of options exceeding 5% of the issued and outstanding shares. The exercise price of each option granted under the plan shall be determined by the Board of Directors.

Options may be granted for a maximum term of ten years from the date of the grant. They are non-transferable and expire within the later of the expiry date or 90 days of termination of employment or holding office as director or officer of the Corporation and, in the case of death, expire the earlier of the expiry date of the option or one year after death.

The following table reflects the continuity of stock options and warrants:

	Number of Stock Options and warrants	Weighted Average Exercise Price (\$)
January 1, 2018	-	-
Granted (i)	105,000	\$0.50
Granted to directors and officers (ii)	305,000	\$0.50
Balance December 31, 2019	410,000	\$0.50
Expiration of agents warrants (i)	(105,000)	(\$0.50)
Balance, September 30, 2020	305,000	\$0.50

- i. On September 27, 2018, the Corporation granted 105,000 compensation warrants to the Agent, which are exercisable within two years from the date of grant at an exercise price of \$0.50 per share. These warrants were valued on the date of issue using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, risk-free interest rate of 2.19%, expected volatility of 100% and an expected life of two years. The value attributed to these warrants was \$27,873. On September 27, 2020, a total of 105,000 agent warrants expired unexercised.
- ii. On September 27, 2018, the Corporation granted 305,000 options to directors and officers, which are exercisable within five years from the date of grant at an exercise price of \$0.50 per share. These options were valued on the date of issue using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, risk-free interest rate of 2.32%, expected volatility of 100% and an expected life of five years. The value attributed to these options was \$114,589.

Cherry Street Capital Inc.
Notes to the Unaudited Condensed Interim Financial Statements
For the Three Months and Nine Months Ended September 30, 2020 and 2019
(in Canadian dollars)

3. SHARE CAPITAL (continued)

The following table reflects the actual options issued and outstanding as of September 30, 2020:

Expiry Date	Exercise Price	Weighted Average Remaining Contractual Life (years)	Number of Options and Warrants Outstanding	Number of Options and Warrants Vested (Exercisable)
September 27 2023	\$0.50	2.99	305,000	305,000

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Capital Management

The Corporation's objective when managing capital is to maintain its ability to continue as a going concern, in order to provide returns for the shareholders and benefits for other stakeholders. The Corporation includes equity, comprised of share capital and deficit, in the definition of capital.

The Corporation's primary objective, with respect to its capital management, is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Corporation may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

The proceeds raised from the issuance of common shares 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 from the issuance of shares or \$210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Corporation. These restrictions apply until completion of a Qualifying Transaction by the Corporation as defined under the Exchange policy 2.4.

Risk Disclosures and Fair Values

The Corporation's financial instruments, consisting of cash held in trust and accrued liabilities, approximate fair value due to the relatively short-term maturities of the instruments. It is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments.

5. RELATED PARTY TRANSACTIONS

During the nine months ended September 30, 2020, the Corporation incurred legal fees of approximately \$6,227 (2019-\$3,542) for services provided by a law firm whose partner is a director of the Corporation. As at September 30, 2020, \$172 (2019-\$882) is included in accrued liabilities for these services.

There were no other transactions with related parties and no remuneration was paid to key management personnel during the nine months ended September 30, 2020 and 2019.

Cherry Street Capital Inc.
Notes to the Unaudited Condensed Interim Financial Statements
For the Three Months and Nine Months Ended September 30, 2020 and 2019
(in Canadian dollars)

6. Subsequent events

On October 28, 2020 the Corporation entered into a letter of intent (“LOI”) with Bazinga Technologies Inc. (“Bazinga”). In accordance with the terms of the LOI, it is anticipated that the Corporation will establish a wholly owned subsidiary which will amalgamate with Bazinga, following which the resulting amalgamated entity will continue as a wholly-owned subsidiary of the Company. The transaction is intended to constitute as the Corporation’s Qualifying Transaction as defined by Policy 2.4 of the TSX Venture Exchange.