

**Wishpond Technologies Ltd.**  
**Condensed Interim Financial Statements**

**For the Three and Nine Months Ended  
September 30, 2020 and 2019**

Unaudited - Expressed in Canadian Dollars

## **NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

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

The accompanying condensed interim consolidated financial statements of Wishpond Technologies Ltd. have been prepared by and are the responsibility of the Company's management.

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

Vancouver, British Columbia

December 15, 2020

**Wishpond Technologies Ltd.****Condensed Interim Statement of Income (Loss) and Comprehensive Income (Loss)**

(Expressed in Canadian Dollars except share amounts or stated otherwise, unaudited)

	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>September 30,</b>	<b>September 30,</b>	<b>September 30,</b>	<b>September 30,</b>
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	\$	\$	\$	\$
Revenue	2,095,933	1,520,813	5,627,247	4,415,651
Cost of sales	576,886	445,655	1,853,623	1,685,728
<b>Gross profit</b>	<b>1,519,047</b>	<b>1,075,158</b>	<b>3,773,624</b>	<b>2,729,923</b>
<b>Operating expenses:</b>				
Salaries, wages, employee benefits	486,412	375,662	1,297,235	734,184
Sales and marketing	396,768	168,015	876,602	531,293
Subcontractor Expenses	222,770	150,411	534,036	674,014
Software subscriptions	122,560	130,139	300,868	278,658
Depreciation and amortization	97,648	95,118	288,671	285,354
Office and general	91,223	82,134	259,442	251,207
Stock-based compensation	23,220	33,051	82,703	84,695
Property tax	22,719	21,648	68,157	64,944
Professional Fees	942	20,564	55,595	36,088
Meals and entertainment	-	10,090	7,938	37,311
Total operating expenses	1,464,262	1,086,832	3,771,247	2,977,748
<b>Operating income (loss)</b>	<b>54,785</b>	<b>(11,674)</b>	<b>2,377</b>	<b>(247,825)</b>
Foreign currency losses (gains)	(33,845)	3,453	(11,458)	6,645
Interest expense	6,461	8,385	21,116	35,033
Other Income/Expenditures	(5,912)	4,998	48,017	14,375
<b>Income (Loss) before income taxes</b>	<b>88,081</b>	<b>(28,510)</b>	<b>(55,298)</b>	<b>(303,878)</b>
Income tax expense (recovery)	-	-	-	-
<b>Net income (loss) and comprehensive income (loss) for the period</b>	<b>88,081</b>	<b>(28,510)</b>	<b>(55,298)</b>	<b>(303,878)</b>
<b>Weighted average number of common shares outstanding</b>				
Basic and diluted	8,538,641	8,001,304	8,207,427	8,000,440
Earnings (Loss) Per Share – Basic and diluted	0.01	0.00	(0.01)	(0.04)

The accompanying notes are an integral part of these financial statements

**Wishpond Technologies Ltd.****Condensed Interim Statement of Financial Position**

(Expressed in Canadian Dollars except share amounts or stated otherwise, unaudited)

	<b>As at September 30, 2020</b>	<b>As at December 31, 2019</b>
	\$	\$
<b>Assets</b>		
<b>Current</b>		
Cash	1,264,356	269,536
Accounts and other receivables	157,542	164,289
Prepaid expenses	222,937	2,088
Investment tax credit recoverable	172,500	329,362
<b>Total current assets</b>	<b>1,817,335</b>	<b>765,275</b>
Property and equipment (Note 6)	333,883	515,613
Intangible assets (Note 7)	780,432	760,490
Other assets (Note 13)	64,462	64,462
<b>Total assets</b>	<b>2,996,112</b>	<b>2,105,840</b>
<b>Liabilities and shareholders' deficiency</b>		
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 5)	427,574	344,598
Contract liability	1,844,473	1,278,106
Loans and borrowings (Note 9, 10)	206,550	106,550
Current portion of lease liability (Note 13)	343,943	282,649
Due to shareholders (Note 9)	4,495,817	4,497,969
Other payables	249,788	145,444
<b>Total current liabilities</b>	<b>7,568,145</b>	<b>6,655,316</b>
Lease liability (Note 13)	84,047	267,041
<b>Total liabilities</b>	<b>7,652,192</b>	<b>6,922,357</b>
<b>Shareholders' deficiency</b>		
Share capital (Note 8)	153,522	2,600
Deficit	(5,244,524)	(5,189,226)
Contributed surplus	434,922	370,109
<b>Total shareholders' deficiency</b>	<b>(4,656,080)</b>	<b>(4,816,517)</b>
<b>Total shareholders' deficiency and liabilities</b>	<b>2,996,112</b>	<b>2,105,840</b>

Nature of operations, and going concern (Note 1)

Events after the reporting period (Note 16)

Approved by the Directors:

*"Ali Tajsandar"*  
Director

*"Olivier Vincent"*  
Director

The accompanying notes are an integral part of these financial statements

**Wishpond Technologies Ltd.****Condensed Interim Statement of Changes in Deficiency**

(Expressed in Canadian Dollars except share amounts or stated otherwise, unaudited)

	<b>Number of shares</b>	<b>Share capital</b>	<b>Deficit</b>	<b>Contributed surplus</b>	<b>Total shareholders' deficiency</b>
	<b>#</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at January 1, 2019</b>	8,000,000	600	(4,760,928)	304,354	(4,455,974)
Stock based compensation	-	-	-	84,695	84,695
Stock options exercised	40,000	2,000	-	-	2,000
Stock options repurchased	-	-	-	(27,789)	(27,789)
Net loss and comprehensive loss for the period	-	-	(303,878)	-	(303,878)
<b>Balance at September 30, 2019</b>	<b>8,040,000</b>	<b>2,600</b>	<b>(5,064,806)</b>	<b>361,260</b>	<b>(4,700,946)</b>
<b>Balance at January 1, 2020</b>	8,040,000	2,600	(5,189,226)	370,109	(4,816,517)
Stock based compensation	-	-	-	82,703	82,703
Stock options exercised	1,529,167	150,922	-	-	150,922
Stock options repurchased	-	-	-	(17,890)	(17,890)
Net loss and comprehensive loss for the period	-	-	(55,298)	-	(55,298)
<b>Balance at September 30, 2020</b>	<b>9,569,167</b>	<b>153,522</b>	<b>(5,244,524)</b>	<b>434,922</b>	<b>(4,656,080)</b>

The accompanying notes are an integral part of these financial statements

**Wishpond Technologies Ltd.****Condensed Interim Statement of Cash Flows**

(Expressed in Canadian Dollars except share amounts or stated otherwise, unaudited)

	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>September 30, 2020</b>	<b>September 30, 2019</b>	<b>September 30, 2020</b>	<b>September 30, 2019</b>
	\$	\$	\$	\$
<b>Cash flows provided by (used in)</b>				
<b>Operating activities</b>				
Cash receipt from customers	2,245,608	1,397,834	6,025,741	4,172,416
Cash paid to vendors and employees (Note 5, 9)	(1,972,582)	(1,419,660)	(5,297,989)	(4,384,229)
Cash paid for bank service fees	(5,435)	(3,226)	(15,498)	(10,785)
Proceeds from investment tax credits	-	-	329,363	342,068
Realised foreign currency gains (losses)	18,561	(3,478)	25,505	(6,668)
<b>Net cash generated by (used in) operating activities</b>	<b>286,152</b>	<b>(28,530)</b>	<b>1,067,122</b>	<b>112,802</b>
<b>Investing activities</b>				
Additions to equipment (Note 6)	(12,170)	-	(12,170)	-
Additions to intangible assets (Note 7)	(49,461)	(47,011)	(114,713)	(141,032)
<b>Net cash used in investing activities</b>	<b>(61,631)</b>	<b>(47,011)</b>	<b>(126,883)</b>	<b>(141,032)</b>
<b>Financing activities</b>				
Exercise and (repurchase) of employee stock options	150,922	(33,709)	133,032	(25,789)
Proceeds (repayment of) from shareholder loans	-	84,000	(17,975)	199,000
Interest	(6,461)	(8,385)	(20,781)	(35,033)
Proceeds from and (repayment) of debt financing (Note 9, 10)	150,000	-	100,000	-
Lease liability (Note 13)	(60,923)	(72,449)	(139,695)	(215,000)
<b>Net cash provided by (used in) financing activities</b>	<b>233,538</b>	<b>(30,543)</b>	<b>54,581</b>	<b>(76,822)</b>
<b>Net increase (decrease) in cash</b>	<b>458,059</b>	<b>(106,084)</b>	<b>994,820</b>	<b>(105,052)</b>
<b>Cash - beginning of period</b>	<b>806,297</b>	<b>149,302</b>	<b>269,536</b>	<b>148,270</b>
<b>Cash - end of period</b>	<b>1,264,356</b>	<b>43,218</b>	<b>1,264,356</b>	<b>43,218</b>

The accompanying notes are an integral part of these financial statements

## **Wishpond Technologies Ltd.**

### **Condensed Interim Statement of Income (Loss) and Comprehensive Income (Loss)**

(Expressed in Canadian Dollars except share amounts or stated otherwise, unaudited)

#### **1. Nature of operations, going concern**

Wishpond Technologies Ltd. ("Wishpond" or the "Company") was incorporated under the Business Corporations Act of British Columbia on February 21, 2007 with its head office located at Suite 1000 - 1500 West Georgia St., Vancouver, BC, V6G 2Z6.

The Company's principal business is the provision of technological digital marketing solutions for businesses. On September 10, 2020, the Company entered into a binding merger agreement (the "Merger Agreement") to enter into a reverse take-over (the "Proposed Transaction") transaction with Antera Ventures I Corp. ("Antera"), a Capital Pool Company ("CPC") in order to effect a public listing on the Toronto Venture Exchange. The Proposed Transaction was completed on December 8, 2020 and the common shares of the Company commenced trading on the Exchange at opening on December 11, 2020 under the symbol "WISH" as a Tier 1 technology issuer.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for the foreseeable future. As at September 30, 2020, the Company had not yet achieved profitable operations, had an accumulated deficit since inception of \$5,244,524, had a negative net working capital balance of \$5,750,810, and expects to incur further losses in the development of its business, all of which indicate the existence of a material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Company's ability to continue as a going concern is dependent upon its ability to obtain the necessary financing to develop and/or acquire business projects and to meet its ongoing levels of corporate overhead and discharge its liabilities as they fall due. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. Realization values may be substantially different from carrying values as shown in these financial statements. These financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

The Company's Board of Directors approved these financial statements on December 15, 2020.

#### **2. Basis of presentation**

These 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 and IFRS Interpretations Committee ("IFRIC"). These interim financial statements do not contain all the disclosures required in annual financial statements and should be read in conjunction with the audited annual financial statements of the Company for the year ended December 31, 2019, prepared in accordance with IFRS.

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

**Wishpond Technologies Ltd.****Notes to the Condensed Interim Financial Statements**

For the Three and Nine Months Ended September 30, 2020 and September 30, 2019

(Expressed in Canadian Dollars except share amounts or stated otherwise, unaudited)

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**3. Significant accounting policies**

The significant accounting policies used in the preparation of these financial statements are described below.

**a) Basis of measurement**

These financial statements have been prepared under the historical cost convention, except for certain financial instruments which are measured at fair value.

**b) Foreign currency translation**Functional and presentation currency:

The functional currency of Wishpond is the Canadian Dollar. The determination of functional currency is based on the primary economic environment in which the entity operates.

Wishpond's financial statements are presented in Canadian dollars.

Transactions and balances:

Foreign currency transactions are translated into Canadian dollars at exchange rates in effect on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the consolidated statement of financial position date are translated to Canadian dollars at the foreign exchange rate applicable at that date. Realized and unrealized exchange gains and losses are recognized through profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

**c) Cash**

Cash in the statements of financial position and statements of cash flows comprises cash in banks.

**d) Financial instruments**

Financial instruments are recognised when the Company becomes a party to the contractual provisions of a financial instrument. The Company is required to initially recognise all of its financial assets and liabilities, including derivatives and embedded derivatives in certain contracts, at fair value.

Subsequent to initial recognition, the Company classifies its financial assets and liabilities depending on the purpose for which the financial instruments were acquired, their characteristics, and management choices and intentions related thereto for the purpose of ongoing measurements.

Measurement of financial instruments:**Financial instruments at amortized cost:**

Financial instruments are recorded at amortized cost when held with the objective of collecting (or paying) contractual cash flows and those cash flows represent solely payments of principal and interest and are not designated or measured at fair value through profit or loss (FVTPL).

These instruments are measured at amortized cost subsequent to initial recognition using the effective interest method. This method uses an effective interest rate that discounts estimated future cash receipts (or payments)

## Wishpond Technologies Ltd.

### Notes to the Condensed Interim Financial Statements

For the Three and Nine Months Ended September 30, 2020 and September 30, 2019

(Expressed in Canadian Dollars except share amounts or stated otherwise, unaudited)

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through the expected life of the financial instrument, if any. Interest income (and expense) and impairment losses are recognized through profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

#### Financial assets at FVTPL:

All other financial instruments are measured at FVTPL.

The Company, at initial recognition, may irrevocably designate a financial instrument as measured at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different basis.

Derivative financial instruments are measured at fair value subsequent to initial recognition at the end of each reporting period, with any fair value gains or losses recognized in profit or loss.

#### Classification of financial instruments:

The Company's financial assets and liabilities are classified and measured as follows:

Cash	Amortised cost
Accounts receivable	Amortised cost
Accounts payable and accrued liabilities	Amortised cost
Bank indebtedness	Amortised cost
Lease liability	Amortised cost
Loan payable to employees	Amortised cost
Long-term debt	Amortised cost
Due to shareholders	Amortised cost
Foreign exchange forward contracts	FVTPL

#### Fair value hierarchy:

The Company classifies its fair value measurements using a fair value hierarchy that reflects the significance of inputs used in making the measurements. IFRS establishes a fair value hierarchy based on the level of independent and objective evidence surrounding the inputs used to measure fair value. Fair value determination is classified within a three-level hierarchy, based on observability of significant inputs, as follows:

- **Level 1** - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2** - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- **Level 3** - Unobservable inputs for the asset or liability. Inputs into the determination of the fair value require management judgment or estimation.

If different levels of inputs are used to measure a financial instrument's fair value, the classification within the hierarchy is based on the lowest level of input that is significant to the fair value measurement. Changes to valuation methods may result in transfers into or out of an investment's assigned level.

#### Impairment:

With respect to financial assets measured at amortised cost, the Company assesses whether there are any indications of impairment. When there is an indication of impairment, and if the Company determines that during the period there was a significant adverse change in the expected timing or amount of future cash flows from a financial asset, they will then recognise a reduction as an impairment loss in the statements of loss and

## **Wishpond Technologies Ltd.**

### **Notes to the Condensed Interim Financial Statements**

For the Three and Nine Months Ended September 30, 2020 and September 30, 2019

(Expressed in Canadian Dollars except share amounts or stated otherwise, unaudited)

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comprehensive loss. The reversal of a previously recognised impairment loss on a financial asset measured at amortised cost is recognised in the statements of loss and comprehensive loss in the period the reversal occurs.

Under IFRS 9, the loss allowance for trade receivables must be calculated using the expected lifetime credit loss and recorded at the time of initial recognition. There is no significant effect on the carrying value of the Company's financial instruments under IFRS 9 related to this requirement.

#### *Derecognition:*

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or if the Company transfers the financial asset to another party without retaining control or substantially all the risks and rewards of ownership of the financial asset. A financial liability is derecognised when its contractual obligations are discharged, cancelled or expire.

#### **e) Stock-based compensation**

The Company has an incentive share option plan as described in Note 8. For employees, the Company measures the fair value of equity settled share options on the grant date and each tranche is recognised on a graded vesting basis over the period during which the options vest. For non-employees, the compensation expenses is measured at the fair value of goods and services received except where the fair value cannot be estimated in which case it is measured at the fair value of the equity settled share option granted. Consideration paid by employee and non-employees on the exercise of stock options is recorded as share capital and the related share-based compensation is transferred from share-based payment reserve to share capital.

The fair value of the options granted is measured using the Black-Scholes option pricing model ("BSM") taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognised as an expense is adjusted to reflect the actual number of share options that are expected to vest.

The BSM requires management to estimate the expected volatility, term of the equity instrument, the price of a Wishpond common share, the risk-free rate of return over the term, expected dividends, and the number of equity instruments expected to ultimately vest. In estimating expected volatility, the Company considers the historical share price volatility of similar publicly listed entities. The share price of Wishpond was determined utilising a market multiple approach, utilising the best information available at the time of calculating the fair value of the grant. Forfeitures are adjusted for on an actual basis.

The fair value of share options is charged to loss and comprehensive loss with a corresponding increase in contributed surplus within equity. Previously recognised expenses are not subsequently reversed for options that vest but are not exercised. If, and when, share options are ultimately exercised, the applicable amount of contributed surplus is transferred to share capital.

#### **f) Revenue recognition**

Revenue represents the amount the Company expects to receive for services in its contracts with customers, net of discounts and sales taxes.

The core principle of IFRS 15 *Revenue from Contracts with Customers* ("**IFRS 15**") is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

IFRS 15 provides a principles-based five step model for revenue recognition to be applied to all customer contracts. The five steps are:

## **Wishpond Technologies Ltd.**

### **Notes to the Condensed Interim Financial Statements**

For the Three and Nine Months Ended September 30, 2020 and September 30, 2019  
(Expressed in Canadian Dollars except share amounts or stated otherwise, unaudited)

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- Identify the contract with a customer;
- Identify the performance obligation in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognise the revenue when (or as) the entity satisfies a performance obligation.

Revenues generated by the Company include the following:

(i) *Software subscription revenues*: subscription agreements provide customers the right to use Wishpond's suite of cloud-based marketing software. Pricing is based on a tiered system driven by features accessed and the number of leads generated. Customers have the option to subscribe on a monthly or annual basis. Software subscription revenues are recognised over the term of the related contracts.

(ii) *Marketing subscription revenues*: customised professional marketing services are offered to customers on a subscription basis. Services typically include landing page design, contest campaigns, ad campaigns, and SEO services, among others. The majority of marketing contracts are annual with a monthly billing cycle. Marketing subscription revenues are recognised over the term of the related contracts, which is akin to when the performance obligations are delivered.

Incremental costs of obtaining a contract include sales commissions. Given that the Company's contracts have terms of twelve (12) months or less, Wishpond employs the practical expedient which allows for expensing the sales commission costs as incurred.

#### **g) Contract liability**

Contract liability consists of cash received in advance of the Company providing the subscribed services and is recognised in income over the estimated life of the subscription agreement.

#### **h) Income taxes**

The income tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated statements of loss and comprehensive loss, except to the extent it relates to items recognised in other comprehensive loss or directly in equity. In this case, the tax is recognised in other comprehensive income or loss, or equity, respectively.

Current tax is the expected tax payable on the taxable income for the period using tax rates enacted or substantively enacted, at the end of the period, and any adjustments to tax payable in respect to previous periods.

Deferred taxes are calculated using the asset and liability method on temporary differences between the carrying amount of assets and liabilities and their related tax bases. Deferred income taxes are measured using substantively enacted tax rates that will be in effect when the amounts are expected to be settled. Deferred tax assets are only recognizable to the extent it is probable that they will be utilised against future taxable income.

The assessment of probability of future taxable income in which deferred tax assets can be utilised is based on the Company's latest approved forecast, which is adjusted for significant non-taxable income and expenses. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, the deferred tax asset is generally recognised to the extent it is recoverable.

Deferred tax assets and liabilities are only offset when the Company has the right and intention to offset current tax assets and liabilities from the same taxation authority. Changes in deferred tax assets and liabilities are

**Wishpond Technologies Ltd.****Notes to the Condensed Interim Financial Statements**

For the Three and Nine Months Ended September 30, 2020 and September 30, 2019

(Expressed in Canadian Dollars except share amounts or stated otherwise, unaudited)

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recognised as a component of income or expense in net earnings or loss, except where they relate to items that are recognised in other comprehensive income or loss, or equity.

**i) Share capital**

Common shares are classified as equity. Costs directly attributable to the issuance of shares are recognised as a deduction from equity. Share issuance costs consist of legal and other costs relating to raising capital.

**j) Research and development**

The Company is engaged in research and development activities. Research costs are expensed as incurred.

Development costs are expensed, unless all of the following can be demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditures attributable to the intangible asset during its development.

Development costs that meet the above criteria are capitalised at cost as deferred development costs. Deferred development costs have finite useful lives and are carried at cost less accumulated amortization and accumulated impairment losses. The deferred development costs are amortised on a straight-line basis over the estimated useful life of 10 years.

**k) Research tax credits**

The Company is entitled to certain Canadian federal and provincial tax incentives for qualified scientific research and experimental development. These investment tax credits are recorded as a reduction in the related expenditures when there is reasonable assurance that such credits will be realised. Investment tax credits that are related to capitalised expenditures such as deferred development costs are recognized in the statement of financial position as a reduction to the asset that the tax credit relates.

**l) Leases**

Wishpond assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Wishpond applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. Wishpond recognises lease liabilities representing obligations to make lease payments and right-of-use assets representing the right to use the underlying assets.

*i) Right-of-use assets:*

Wishpond recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

**Wishpond Technologies Ltd.****Notes to the Condensed Interim Financial Statements**

For the Three and Nine Months Ended September 30, 2020 and September 30, 2019

(Expressed in Canadian Dollars except share amounts or stated otherwise, unaudited)

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Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. For Wishpond's right-of-use office lease, this period is approximately 4 years.

The right-of-use assets are also subject to impairment assessments.

*ii) Lease liabilities:*

At the commencement date of the lease, Wishpond recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, Wishpond uses its incremental borrowing rate at the commencement date because the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

**m) Impairment**

The Company's tangible and intangible assets are reviewed for an indication of impairment at each statement of financial position date. If indication of impairment exists, the asset's recoverable amount is estimated.

An impairment loss is recognised when the carrying amount of an asset, or its cash-generating unit, exceeds its recoverable amount. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognised in the statements of loss and comprehensive loss for the period.

The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

**n) Income (Loss) per share**

Basic income (loss) per share is computed by dividing net income (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted income per share is computed similar to basic income (loss) per share, except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods. However, diluted loss per share does not include the increase to weighted average shares, as the effect of including additional shares would be anti-dilutive.

**Wishpond Technologies Ltd.****Notes to the Condensed Interim Financial Statements**

For the Three and Nine Months Ended September 30, 2020 and September 30, 2019

(Expressed in Canadian Dollars except share amounts or stated otherwise, unaudited)

**4. Critical accounting estimates and judgments**

The Company makes estimates and assumptions concerning its financial future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are addressed below:

*Stock-based compensation*

Management determines costs for share-based payments using market-based valuation techniques. The fair value of stock option awards is determined at the date of the grant using generally accepted valuation techniques. Assumptions are made and judgements are used in applying valuation techniques. These assumptions and judgements include estimating the future volatility of the stock price, expected dividend yield, forfeiture rates, and the fair value of the Company's common shares.

*Determination of functional currency*

In determining its functional currency, the Company considers factors related to its primary economic environment. These include the currency which mainly influences the Company's sales prices for goods and services, the country whose competitive forces and regulations mainly determine sale prices of its services, and the currency which mainly influences costs related to providing its services. The Company also considers secondary factors including the currency in which funds from financing activities are generated, and the currency in which operating activities are usually retained.

*Going concern*

The Company has historically incurred losses and the Company's ability to execute its strategy by funding future working capital requirements requires judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, such as expectations of future events that are believed to be reasonable under the circumstance

*Investment tax credits recoverable*

The Company accrues for investment tax credits expected to be recovered. This requires management's judgement and analysis on past claims, and the eligibility of current development costs as valid SR&ED expenditures.

*Estimated useful lives of intangible assets*

The estimated useful lives of intangible assets are based on management's intentions, historical experience, internal plans and other factors as determined by management. The useful lives are reviewed on an annual basis and any revisions to the useful lives are accounted for prospectively.

**5. Accounts payable and accrued liabilities**

	<b>September 30, 2020</b>	<b>December 31, 2019</b>
	\$	\$
Trade	323,900	209,734
Sales Tax Payable	103,674	134,864
<b>Accounts payable and accrued liabilities</b>	<b>427,574</b>	<b>344,598</b>

**Wishpond Technologies Ltd.****Notes to the Condensed Interim Financial Statements**

For the Three and Nine Months Ended September 30, 2020 and September 30, 2019

(Expressed in Canadian Dollars except share amounts or stated otherwise, unaudited)

**6. Property and equipment**

	<b>Computer equipment</b>	<b>Furniture and fixtures</b>	<b>Right-of-use assets</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Cost</b>				
As at January 1, 2020	68,907	35,899	1,287,107	1,391,913
Additions	12,170	-	-	12,170
<b>As at September 30, 2020</b>	<b>81,077</b>	<b>35,899</b>	<b>1,287,107</b>	<b>1,404,083</b>

**Accumulated Depreciation**

As at January 1, 2020	68,132	35,899	772,269	876,300
Additions	832	-	193,068	193,900
<b>As at September 30, 2020</b>	<b>68,964</b>	<b>35,899</b>	<b>965,337</b>	<b>1,070,200</b>

**Cost**

As at January 1, 2019	68,907	35,899	1,287,107	1,391,913
Additions	-	-	-	-
<b>As at December 31, 2019</b>	<b>68,907</b>	<b>35,899</b>	<b>1,287,107</b>	<b>1,391,913</b>

**Accumulated Depreciation**

As at January 1, 2019	66,774	30,126	514,845	611,745
Additions	1,358	5,773	257,424	264,555
<b>As at December 31, 2019</b>	<b>68,132</b>	<b>35,899</b>	<b>772,269</b>	<b>876,300</b>

**Net Book Value**

<b>As at December 31, 2019</b>	<b>775</b>	<b>-</b>	<b>514,838</b>	<b>515,613</b>
<b>As at September 30, 2020</b>	<b>12,113</b>	<b>-</b>	<b>321,770</b>	<b>333,883</b>

**Wishpond Technologies Ltd.****Notes to the Condensed Interim Financial Statements**

For the Three and Nine Months Ended September 30, 2020 and September 30, 2019

(Expressed in Canadian Dollars except share amounts or stated otherwise, unaudited)

**7. Intangible assets****Deferred development costs**

\$

**Cost**

As at January 1, 2019	1,042,439
Additions	188,042
<b>As at December 31, 2019</b>	<b>1,230,481</b>
Additions	114,713
<b>As at September 30, 2020</b>	<b>1,345,194</b>

**Amortization**

As at January 1, 2019	346,943
Amortization charge for the year	123,048
<b>As at December 31, 2019</b>	<b>469,991</b>
Amortization charge for the period	94,771
<b>As at September 30, 2020</b>	<b>564,762</b>

**Net Book Value**

<b>As at December 31, 2019</b>	<b>760,490</b>
<b>As at September 30, 2020</b>	<b>780,432</b>

Additions to deferred development costs are net of investment tax credits.

**8. Share capital****a) Authorised**

Unlimited common shares without par value.

Class BB common non-voting shares are also authorised for issuance under the employee stock option plan. The maximum aggregate number of Class BB non-voting shares that may be reserved for issuance under the employee stock option plan is that number of non-voting shares as is equal to 25% of all the issued and outstanding shares of all classes of shares of the Company including:

- any additional shares of the Company which may be issued; and
- any shares of the Company into which shares, options or other securities may be converted, exchanged, reclassified, redesigned, subdivided, consolidated or otherwise changed at any time.

**b) Issued Common Shares**

As at September 30, 2020, the issued share capital comprises 9,569,167 (December 31, 2019 - 8,040,000) common shares.

**Wishpond Technologies Ltd.****Notes to the Condensed Interim Financial Statements**

For the Three and Nine Months Ended September 30, 2020 and September 30, 2019

(Expressed in Canadian Dollars except share amounts or stated otherwise, unaudited)

**c) Options to purchase class BB non-voting shares**

The Company has a stock option plan (the "Plan") which authorises the Board of Directors to grant incentive stock options to directors, officers, employees and consultants. At the grant date, the vesting provisions, term, exercise price and other terms and conditions of grants of options are determined by the Board.

**d) Movement in share options**

The changes in share options during the nine months ended September 30, 2020 and 2019 were as follows:

	<b># of Options</b>		<b>Weighted Average Exercise Price</b>
January 1, 2019	1,708,000	\$	0.16
Granted	74,000		0.39
Exercised	(40,000)		0.05
Forfeited/expired	(96,000)		0.28
Repurchased	(8,000)		0.01
<b>September 31, 2019</b>	<b>1,638,000</b>	<b>\$</b>	<b>0.17</b>
January 1, 2020	1,638,000		0.17
Granted	61,000		0.27
Exercised	(1,529,167)		0.10
Forfeited/expired	(36,333)		1.07
Repurchased	(3,000)		1.54
<b>September 30, 2020</b>	<b>130,500</b>	<b>\$</b>	<b>0.73</b>

During the nine (9) months ended September 30, 2020 and nine (9) months ended September 30, 2019, the Company recognised \$82,703 and \$84,695, respectively, to stock-based compensation expense through to the statement of loss.

**e) Fair value of share options granted**

During the nine (9) months ended September 30, 2020, the Company granted the following options:

<b>Grant date</b>	<b>Number of options granted</b>	<b>Exercise price</b>	<b>Vesting period (in years)</b>	<b>Expiry date</b>
January 6, 2020	35,000	\$0.01	1.0	January 6, 2025
June 15, 2020	16,000	\$0.05	5.0	June 15, 2025
June 22, 2020	10,000	\$1.55	5.0	June 22, 2025

**Wishpond Technologies Ltd.****Notes to the Condensed Interim Financial Statements**

For the Three and Nine Months Ended September 30, 2020 and September 30, 2019  
(Expressed in Canadian Dollars except share amounts or stated otherwise, unaudited)

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During the nine (9) months ended September 30, 2019, the Company granted the following options:

<b>Grant date</b>	<b>Number of options granted</b>	<b>Exercise price</b>	<b>Vesting period (in years)</b>	<b>Expiry date</b>
May 7, 2019	10,000	\$1.54	5.0	May 7, 2024
April 2, 2019	24,000	\$0.05	0.5	April 2, 2024
April 2, 2019	12,000	\$0.72	0.0	April 2, 2024
July 9, 2019	8,000	\$0.72	0.0	July 9, 2023
August 1, 2019	4,000	\$0.72	0.0	August 1, 2024
September 1, 2019	16,000	\$0.05	0.0	September 1, 2024

The fair value of each option granted for the nine (9) months ended September 30, 2020 was estimated at the time of grant using the BSM with the following range of significant inputs (unaudited):

	<b>Low</b>	<b>High</b>
Exercise price	\$1.55	\$0.01
Share price	\$1.44	\$1.44
Risk-free interest rate	0.30%	0.30%
Expected term	5 years	5 years
Volatility	60%	60%
Expected dividend	\$0	\$0
Grant date fair value	\$0.70	\$1.43

The fair value of each option granted for the nine (9) months ended September 30, 2019 was estimated at the time of grant using the BSM with the following significant inputs:

	<b>Low</b>	<b>High</b>
Exercise price	\$1.54	\$0.05
Share price	\$1.15	\$1.31
Risk-free interest rate	1.56%	1.23%
Expected term	5 years	5 years
Volatility	68%	62%
Expected dividend	\$0	\$0
Grant date fair value	\$0.58	\$1.26

**Wishpond Technologies Ltd.****Notes to the Condensed Interim Financial Statements**

For the Three and Nine Months Ended September 30, 2020 and September 30, 2019  
(Expressed in Canadian Dollars except share amounts or stated otherwise, unaudited)

**f) Share options outstanding at the end of the period**

The following table summarises information concerning outstanding and exercisable options of the Company:

<b>Period ended</b>	<b>Options outstanding</b>	<b>Options exercisable</b>	<b>Weighted avg. exercise price</b>	<b>Avg. exercise price of vested options</b>	<b>Avg. remaining contractual length (years)</b>
September 30, 2020	130,500	96,865	\$0.73	\$0.10	3.29
December 31, 2019 (audited)	1,638,000	1,491,384	\$0.17	\$0.10	1.99

**9. Related party transactions**

In November 2017, Wishpond received a loan from an officer of the Company in the amount of \$50,000. The amount due was unsecured, bearing interest at 5.5% per year, and had no specified repayment terms. The loan was settled in full in January 2020.

As at September 30, 2020, a total of \$4,495,817 in loans payable is due to a shareholder. In July 2020, Wishpond entered into a debt conversion agreement (the "Debt Conversion Agreement") to convert the shareholder loan, subject to the successful completion of the Proposed Transaction, into 1,851,205 Wishpond common shares, which will be exchanged into approximately 6,005,300 Resulting Issuer Shares.

The transaction amount of the shareholder loan approximates its carrying amount due to the lack of interest and repayment terms associated with the loan.

On November 24, 2020, the shareholder loan was converted into Wishpond common shares in accordance with the terms of the Debt Conversion Agreement.

Key management compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel includes the Company's Board of Directors and members of the executive team.

	<b>Three-months ended</b>		<b>Nine-months ended</b>	
	<b>September 30, 2020</b>	<b>September 30, 2019</b>	<b>September 30, 2020</b>	<b>September 30, 2019</b>
	\$	\$	\$	\$
Salaries, wages, and benefits	198,493	177,183	608,286	459,505
Stock-based compensation	17,349	32,272	52,389	50,440
<b>Total</b>	<b>215,842</b>	<b>209,455</b>	<b>660,675</b>	<b>509,945</b>

## **Wishpond Technologies Ltd.**

### **Notes to the Condensed Interim Financial Statements**

For the Three and Nine Months Ended September 30, 2020 and September 30, 2019

(Expressed in Canadian Dollars except share amounts or stated otherwise, unaudited)

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#### **10. Debt**

As of December 31, 2019, the Company has a credit facility with a major Canadian bank in the amount of \$100,000. The interest rate on the credit facility is based on RBP + 3.01% per annum with the interest payable monthly. Moreover, in April 2020, the Company obtained an additional credit facility from the same Canadian bank in the amount of \$500,000 with interest of RBP + 2.53% per annum. The aggregate of both credit facilities cannot exceed the total of \$500,000 at any time. As of September 30, 2020, both credit facilities remained undrawn and were fully available to the Company.

On December 2, 2019, Wishpond entered into a loan with the Business Development Bank of Canada ("BDC") for \$56,550. As at September 30, 2020 a total of \$56,550 is due to BDC. The loan is unsecured and subject to a floating interest base rate plus a variance of 1.00% per year. The interest is calculated monthly from the date of disbursement. The balance of the loan in principal and interest including all other amounts owing was paid in full in October 2020.

On September 10, 2020, Wishpond issued \$150,000 in aggregate principal amount of convertible debt (the "Debenture"). The Debenture accrues interest at an annual rate of 8.00% per annum, calculated as non-compounding simple interest. Should the Proposed Transaction be completed prior to December 31, 2020, no interest shall have accrued or be due or payable in respect of the Debenture. The principal amount automatically converts into common shares at a deemed issue price equal to the lesser of \$1.709289 per common share and a 30% discount to the deemed price per common share in the Proposed Transaction price immediately prior to or concurrent with the Proposed Transaction. The conversion of the principal amount and any accrued interest under this Debenture discharges the Company's obligations with respect to the repayment of the principal amount and any interest so converted.

On November 24, 2020, the Debenture was converted into Wishpond common shares in accordance with its terms.

#### **11. Capital management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain a flexible capital structure which optimises the costs of capital under acceptable risks. In the management of capital, the Company includes the components of shareholders' equity and shareholder loans.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust capital structure, the Company may attempt to: issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash and investments. The Company is not subject to any externally imposed capital requirements. Historically, the Company has not paid dividends.

#### **12. Financial Instruments**

##### **a. Classification of financial instruments**

The Company's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, lease liability, long-term debt, loan payable to employees, and amounts due to shareholders. The recorded values of all of Wishpond's financial instruments, with the exception of the long-term debt, approximate their current fair values because of their short-term nature.

## **Wishpond Technologies Ltd.**

### **Notes to the Condensed Interim Financial Statements**

For the Three and Nine Months Ended September 30, 2020 and September 30, 2019

(Expressed in Canadian Dollars except share amounts or stated otherwise, unaudited)

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The fair value of the long-term debt due to BDC approximates its carrying value due to its market rate of interest.

The amount due to shareholders is non-interest bearing, unsecured and has no specified repayment terms.

#### b. Risk management

##### Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's credit risks relate to its cash and accounts receivable. The Company's cash is deposited with a Canadian chartered bank and as a result management believes the risk of loss on this item to be remote. Management believes that the credit risk on its accounts receivable is limited as the amounts are expected to be collected in the Company's next operating cycle.

Furthermore, the Company does not typically extend credit to its customers and customers are required to remit payment when invoices are provisioned. Furthermore, customers are required to provide a pre-authorised method of payment upon entering into a service contract. If the customer fails to remit payment for a period exceeding 14 days, the Company puts services on hold until payment is received. As a result, the Company's historical bad debt is negligible.

##### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's management believes its existing working capital coupled with the cash that will be generated from its operations coupled with additional financing activities will enable the Company to meet its financial obligations. Furthermore, the Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis.

##### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has cash and interest-bearing debt. Interest rate risk arises from interest received on cash and interest on debt, which is based on the BDC's floating base rate. The Company's interest rate risk is considered to be low.

##### Foreign currency risk

As a significant portion of the Company's sales are to customers located in the United States and are thus incurred in US Dollars, the Company is exposed to foreign currency fluctuations.

A +/-5% appreciation of the USD would have a negative impact on profit of CAD\$45,646 as at September 30, 2020 (December 31, 2019, CAD\$43,065) assuming all other variables remained constant.

In March 2020, Wishpond began managing its foreign currency risk through the use of monthly foreign exchange contracts which allow Wishpond to exchange US Dollars to Canadian Dollars at a preferred rate of US\$1.00 to CAD\$1.39. In September 2020, Wishpond entered into six monthly forward foreign exchange contracts, each in the amount of USD\$150,000 at an average exchange rate of approximately 1.33 CAD/USD.

## **13. Lease Liability**

The Company has a lease contract for an office space, located at 1500 West Georgia Street, Vancouver B.C. The remaining lease term at September 30, 2020 is 15 months.

**Wishpond Technologies Ltd.****Notes to the Condensed Interim Financial Statements**

For the Three and Nine Months Ended September 30, 2020 and September 30, 2019  
 (Expressed in Canadian Dollars except share amounts or stated otherwise, unaudited)

Set out below are the carrying amounts of lease liabilities and the movements during the periods:

	<b>December 31, 2019</b> <b>(audited)</b>
	\$
<b>As at January 1</b>	<b>803,869</b>
Accretion of interest	33,274
Payments	(287,453)
<b>As at December 31</b>	<b>549,690</b>
Current	282,649
Non-current	267,041

	<b>September 30, 2020</b>
	\$
<b>As at January 1</b>	<b>549,690</b>
Accretion of interest	17,979
Payments	(139,679)
<b>As at September 30</b>	<b>427,990</b>
Current	343,943
Non-current	84,047

The following are the amounts recognised in the statements of loss and comprehensive loss:

	<b>9 months ended</b> <b>September 30, 2020</b>	<b>9 months ended</b> <b>September 30, 2019</b>
	\$	\$
Depreciation expense of right-of-use assets	193,069	193,068
Interest expense on lease liabilities	17,979	26,159
<b>Total</b>	<b>211,048</b>	<b>219,227</b>

Lease deposits:

The Company has \$64,462 of lease deposits recoverable from landlords as at September 30, 2020, all of which has been included in other assets.

**14. Geographic Information**

The Company's assets are primarily located in Canada.

Geographic sales based on customer location are detailed as follows:

**Wishpond Technologies Ltd.****Notes to the Condensed Interim Financial Statements**

For the Three and Nine Months Ended September 30, 2020 and September 30, 2019

(Expressed in Canadian Dollars except share amounts or stated otherwise, unaudited)

	Three-months ended September 30th		Nine-months ended September 30th	
	2020	2019	2020	2019
United States	\$ 1,422,598	\$ 1,062,603	\$ 3,648,110	\$ 3,138,836
Canada	300,567	237,428	778,267	627,856
Other	372,768	220,782	1,200,870	648,959
<b>Total</b>	<b>\$ 2,095,933</b>	<b>\$ 1,520,813</b>	<b>\$ 5,627,247</b>	<b>\$ 4,415,651</b>

**15. Contingencies**

Management believes that adequate provisions have been recorded on the statement of financial position and statement of income where required. Although it is not always possible to estimate the extent of potential costs, if any, management believes that the ultimate resolution of such contingencies will not have a material adverse impact on the results of operations, financial position or liquidity of the Company.

**Impact of COVID-19:** The outbreak of the novel strain of the coronavirus, specifically identified as the COVID-19 pandemic, has caused governments worldwide to enact emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. At this time, it is not possible to reliably estimate the impact this will have on the Company's financial position and operating results. Judgments, estimates and assumptions made by management during the preparation of these interim consolidated financial statements may also change as conditions related to the COVID-19 change. Changes in assumptions including, but not limited to, foreign exchange rates, interest rates and commodity prices could impact the fair value of items including derivative and non-derivative instruments, provisions and employee future benefits.

**16. Subsequent Events**

On October 15, 2020, Wishpond closed its previously announced brokered private placement financing (the "Financing") of 6,133,000 subscription receipts (the "Subscription Receipts") at a price of \$0.75 per Subscription Receipt, for gross proceeds of approximately \$4.6 million, which included an upsize from the original minimum offering amount of \$3.0 million and the full exercise of the over-allotment option. The Financing was completed by a syndicate of agents led by Beacon Securities Limited ("Beacon") and including PI Financial Corp. (collectively, the "Agents") pursuant to an agency agreement dated October 15, 2020.

On November 24, 2020, the Debt Conversion Agreement and the Wishpond Debenture were converted into Wishpond common shares in accordance with their respective terms.

On December 8, 2020, Wishpond and Antera SubCo amalgamated pursuant to the provisions of the Business Corporations Act (British Columbia), to form Wishpond Holdings Ltd. which constituted the completion of the previously announced Qualifying Transaction (as such term is defined in Policy 2.4 – Capital Pool Companies of Corporate Finance Manual of the TSX Venture Exchange ("the Exchange")). In connection with the completed Qualifying Transaction:

- Antera changed its name to "Wishpond Technologies Ltd." (the "Resulting Issuer") and consolidated its outstanding share capital on the basis of approximately 4.646720625 (old) Antera common shares for 1 (new) Antera common share;

**Wishpond Technologies Ltd.****Notes to the Condensed Interim Financial Statements**

For the Three and Nine Months Ended September 30, 2020 and September 30, 2019

(Expressed in Canadian Dollars except share amounts or stated otherwise, unaudited)

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- 6,133,000 subscription receipts of Wishpond were converted into Wishpond common shares immediately prior to the completion of the Qualifying Transaction, and all shares of Wishpond were exchanged for (new) common shares of the Company at the effective time of the Qualifying Transaction on the basis of approximately 3.2439938 (new) common shares of Antera / common shares of the Resulting Issuer for each 1 Wishpond share. Each Wishpond subscription receipt ultimately resulted in the issuance of one (new) Antera common share / common share of the Resulting Issuer;
- the Agents received a cash commission equal to 8% of the gross proceeds of the Financing (3% for purchasers from a president's list of Wishpond) and a cash corporate finance fee. In addition, as further consideration, the Agents received an aggregate of 471,607 broker warrants (the "Broker Warrants"). Each Broker Warrant entitles the holder thereof to acquire one common share in the capital of the Resulting Issuer at an exercise price of \$0.75 for a period of 24 months; and
- the common shares of the Resulting Issuer commenced trading on the Exchange at opening on December 11, 2020 under the symbol "WISH" as a Tier 1 technology issuer.

Subject to policies of the TSXV and applicable securities laws, any Consideration Shares issued in exchange for the Resulting Issuer Shares, as well as the Broker Warrants and any Broker Shares issuable on the exercise of the Broker Warrants, are not expected to be subject to any restrictions on resale.