

POCML 5 INC.

(a Capital Pool Corporation)

Condensed Interim Financial Statements

For the Three Months Ended March 31, 2020

(in Canadian Dollars)

(Unaudited)

Notice of No Auditor Review of Condensed 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 condensed interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor. The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these condensed interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

POCML 5 INC.

(a Capital Pool Corporation)

Condensed Interim **Statements of Financial Position**

(in Canadian Dollars)

As at	March 31, 2020	December 31, 2019
Assets		
Current		
Cash and cash equivalents	\$ 496,208	\$ 495,485
Interest receivable	-	-
Total current assets	496,208	495,485
Liabilities		
Current		
Accounts payable & accrued liabilities	11,849	5,889
Shareholders' equity		
Share capital (note 3)	545,404	545,404
Contributed surplus	82,290	82,290
Accumulated deficit	(143,335)	(138,098)
Total shareholders' equity	484,359	489,596
Total Liabilities and shareholders' equity	\$ 496,208	\$ 495,485

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

Approved on Behalf of the Board:

"David D'Onofrio" (signed)

David D'Onofrio

Director

"Adam Parsons" (signed)

Adam Parsons

Director

POCML 5 INC.

(a Capital Pool Corporation)

Condensed Interim **Statements of Loss and Comprehensive Loss**

(in Canadian Dollars)

	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019
Expenses		
Operating, general and administrative	\$ 6,849	\$ 4,826
Professional fees	-	-
Stock bases compensation (Note 3)	-	-
Loss for the year/period	6,849	4,826
Interest Income	(1,612)	(2,070)
Total comprehensive loss	\$ 5,237	\$ 2,756
Net loss per common share		
Basic and diluted	\$ 0.00	\$ 0.00
Weighted average number of common shares outstanding		
Basic and diluted	2,000,000	2,000,000

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

POCML 5 INC.

(a Capital Pool Corporation)

Statements of Changes in Shareholders' Equity

(in Canadian Dollars)

For the Three Months Ended March 31, 2020

	Number of Shares	Share Capital	Contributed Surplus	Accumulated Deficit	Total Equity
Balance at December 31, 2018	10,000,000	\$ 545,404	82,290	\$ (126,889)	\$ 500,805
Net loss for the period	-	-	-	(2,756)	(2,756)
Balance at March 31, 2019	10,000,000	545,404	82,290	(129,645)	498,049
Balance at December 31, 2019	10,000,000	545,404	82,290	(138,098)	489,596
Net loss for the period	-	-	-	(5,237)	(5,237)
Balance at March 31, 2020	10,000,000	\$ 545,404	82,290	\$ (143,335)	\$ 484,359

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

POCML 5 INC.

(a Capital Pool Corporation)

Condensed Interim Statements of Cash Flows

(in Canadian Dollars)

For the Three Months Ended March 31, 2020

	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019
Cash flows used in operating activities:		
Loss for the year/period	\$ (5,237)	\$ (2,756)
Changes in non-cash working capital:		
Interest Receivable	-	(2,070)
Accrued Liabilities	5,960	(11,636)
Net change in cash and cash equivalents	723	(16,462)
Cash and cash equivalents, beginning of year/period	495,485	530,463
Cash and cash equivalents, end of year/period	\$ 496,208	514,001

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

POCML 5 INC.

Notes to Condensed Interim Financial Statements
(a Capital Pool Corporation)
For Three Months Ended March 31, 2020

1. INCORPORATION AND NATURE OF BUSINESS

POCML 5 Inc. (the "Corporation") was incorporated under the Ontario Business Corporation Act on February 21, 2018 and is classified as a Capital Pool Corporation as defined in the Policy 2.4 of the TSX Venture Exchange (the "Exchange").

The Corporation's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition or business, or an interest therein. Such an acquisition will be subject to the approval of the regulatory authorities concerned and, in the case of a non-arm's-length transaction, of the majority of the minority shareholders.

The head office and the registered head office of the Corporation is located at 130 King Street West, Suite 2210, Toronto, Ontario M5X 1E4.

Going concern

The Company does not generate revenue from operations. The Company incurred a net loss of \$5,237 during the period ended March 31, 2020 and, as of that date the Company's deficit was \$143,335 (December 31, 2019 - \$138,098). However, the Company believes that its working capital of \$484,359 as at March 31, 2020 will provide the Company with sufficient cash resources to meet its obligations for at least twelve months from the end of the reporting period.

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

These unaudited condensed interim financial statements have been prepared on a going concern basis, which presumes realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. As the Company has no revenues, its ability to continue as a going concern is dependent on obtaining additional financing and completing a Qualifying Transaction. These unaudited condensed interim financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business. Such adjustments could be material.

On May 31, 2020 the Board of Directors approved the condensed interim financial statements for the three months ended March 31, 2020.

POCML 5 INC.

Notes to Condensed Interim Financial Statements
(a Capital Pool Corporation)
For Three Months Ended March 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of Presentation

The condensed interim financial statements are presented in Canadian dollars ("CAD"), which is the Corporation's functional and presentation currency. The condensed interim financial statements are prepared on a historical cost basis except for certain financial instruments classified as fair value through profit or loss ("FVPTL"), which are stated at their fair value. The accounting policies have been applied consistently throughout the entire period presented in these condensed interim financial statements.

Loss Per Share

Basic loss per common share is determined by dividing loss attributable to common shareholders by the weighted average number of common shares outstanding during the period, excluding shares in escrow. Diluted loss per common share is calculated in accordance with the treasury stock method and is based on the weighted average number of common shares and dilutive common share equivalents outstanding. 8,000,000 common shares were excluded from the calculation as they were contingently issuable and all conditions necessary for their issuance have not been satisfied (note 3).

Financial Instruments

Recognition

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

Classification

The Company classifies its financial assets and financial liabilities in the following measurement categories: i) those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss, and ii) those to be measured at amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at fair value through profit or loss (irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income.

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

POCML 5 INC.

Notes to Condensed Interim Financial Statements
(a Capital Pool Corporation)
For Three Months Ended March 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

The Company has implemented the following classifications:

Cash and cash equivalents are classified as assets at fair value and any period change in fair value is recorded in profit or loss.

Measurement

All financial instruments are required to be measured at fair value on initial recognition, plus, in case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss.

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any changes taken through profit and loss or other comprehensive income (irrevocable election at the time of recognition).

Additional fair value measurement disclosure includes classification of financial instrument fair values in a fair value hierarchy comprising three levels reflecting the significance of the inputs used in making the measurements which are as follows:

Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and

Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

Cash and cash equivalents are a level 1 financial instrument measured at fair value on the statements of financial position.

POCML 5 INC.

Notes to Condensed Interim Financial Statements
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For Three Months Ended March 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Stock-based Compensation

The Corporation accounts for all stock-based compensation awarded to directors and officers and non-employees using the fair value method. Under this method, cost is measured at the grant date at fair value using the Black-Scholes options pricing model that takes into account the exercise price, the expected life of the option, the current price of the underlying stock, the expected volatility, the expected dividends and the risk-free interest rate for the expected term of the option. The compensation cost will be expensed in the statement of operations over the service period, that is the vesting period for directors and officers and over the performance period for awards provided to non-employees in exchange for goods and services.

Share Issuance Costs

Share issuance costs relate to expenditures incurred in connection with the Corporation's share issuance (note 3) and are charged against share capital.

Income Taxes

Income tax expense consists of current and deferred tax expense. Current and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current tax is recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years.

Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized and the liability is settled. The effect of a change in the enacted or substantively enacted tax rates is recognized in net earnings and comprehensive income or in equity depending on the item to which the adjustment relates.

POCML 5 INC.

Notes to Condensed Interim Financial Statements
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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

Estimates

The preparation of condensed interim financial statements in conformity with IFRS accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates used in the financial statements.

Cash and cash equivalents

Cash and cash equivalents include cash held in financial institutions and funds held in a money market fund.

3. SHARE CAPITAL

Authorized

Unlimited number of common shares
Unlimited number of special shares

Issued

	Number of Shares		Amount
Issuance of common shares	10,000,000	\$	600,000
Share issuance costs	-		(54,596)
Balance at December 31, 2019 and March 31, 2020	10,000,000	\$	545,404

Escrowed Shares

On August 30, 2018, the Corporation issued 8,000,000 common shares at \$0.05 per share for total proceeds of \$400,000.

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3. SHARE CAPITAL (continued)

The issued and outstanding common shares will be held in escrow pursuant to the requirements of the Exchange. 10% of the escrowed Common Shares will be released from escrow on the issuance of the Final Exchange Bulletin (the "Initial Release") and an additional 15% will be released on each of the dates which are 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Initial Release.

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.

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 escrowed.

Initial Public Offering

On December 10, 2018, the Corporation completed its initial public offering (the "Offering") of 2,000,000 common shares at a purchase price of \$0.10 per common share for aggregate gross proceeds of \$200,000. The Corporation paid cash share issuance costs of \$47,181 and granted the 140,000 compensation warrants to purchase common shares for \$0.10 for a period ending twenty-four months from the date the Corporation's common shares are listed on the TSX Venture Exchange.

Contributed Surplus

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 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 nontransferable and expire within 90 days of termination of employment or holding office as director or officer of the Corporation and, in the case of death, expire one year thereafter.

POCML 5 INC.

Notes to Condensed Interim Financial Statements
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3. SHARE CAPITAL (continued)

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

	Number of stock options and compensation warrants	Weighted average exercise price (\$)
February 21, 2018	-	-
Granted compensation warrants (i)	140,000	\$0.10
Granted to directors and officers (ii)	1,000,000	\$0.10
Balance, December 31, 2019 and March 31, 2020	1,140,000	\$0.10

- i. On December 10, 2018, the Corporation granted 140,000 compensation warrants to the Agent, which are exercisable at an exercise price of \$0.10 per share for a period of 24 months following the date that the common shares are listed on the Exchange. These warrants were valued on the date of issue using the Black-Scholes option pricing model with the following assumptions: share price \$0.10, dividend yield 0%, risk-free interest rate of 1.860%, expected volatility of 100% and an expected life of two years. The value attributed to these warrants was \$7,415.
- ii. On December 10, 2018, the Corporation granted 1,000,000 options to directors and officers, which are exercisable within five years from the date of grant at an exercise price of \$0.10 per share. These options were valued on the date of issue using the Black-Scholes option pricing model with the following assumptions: share price \$0.10, dividend yield 0%, risk-free interest rate of 1.880%, expected volatility of 100% and an expected life of five years. The value attributed to these options was \$74,875. The options vested immediately.

The following table reflects the actual options and warrants issued and outstanding as of March 31, 2020.

Expiry Date	Exercise Price	Weighted Average Remaining Contractual Life (years)	Number of Options and Warrants Outstanding	Number of Options and Warrants Vested (Exercisable)
December 10, 2020	\$0.10	0.70	140,000	140,000
December 10, 2023	\$0.10	3.70	1,000,000	1,000,000
	\$0.10	3.33	1,140,000	1,140,000

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For Three Months Ended March 31, 2020

4. FINANCIAL RISK MANAGEMENT OBJECTIVE 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 shareholders and benefits for other stakeholders.

The Corporation includes equity, comprised of issued common shares, 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 and cash equivalents, and accounts payable and accrued liabilities which approximate fair value due to the relatively short term maturities of these instruments. It is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments.

6. RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

There were no related party transactions during the three months ended March 31, 2020, (2019 - \$0).