Trusted Brand 2016 Inc.
(A Capital Pool Company)
Condensed interim financial statements
For the three months ended March 31, 2020
(Expressed in Canadian dollars)

June 1, 2020

Management's Report to the Shareholders

Management is responsible for the reliability and integrity of these condensed interim financial statements. The accompanying condensed interim financial statements have been prepared by management in accordance with International Accounting Standards ("IAS") 34 - Interim Financial Reporting and are in accordance with International Financial Reporting Standards ("IFRS"). The condensed interim financial statements are presented in Canadian Dollars.

The accompanying condensed interim financial statements have been prepared using policies and procedures established by management and reflect fairly the Corporation's financial position, results of operations and changes in financial position, within reasonable limits of materiality and within the framework of the accounting policies outlined in the notes to the interim condensed interim financial statements. Management has established and maintains a system of internal controls which is designed to provide reasonable assurance that assets are safeguarded from loss or unauthorized use and financial information is reliable and accurate.

The Board of Directors (the "Board") is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board is assisted in exercising its responsibilities through the Audit Committee of the Board, which is composed of a majority of non-management directors. The Audit Committee meets periodically with management and the auditors to satisfy itself that management's responsibilities are properly discharged, to review the condensed interim financial statements and to recommend approval of the condensed interim financial statements to the Board.

The following condensed interim financial statements are unaudited.

Signed "Ted Geier"

Ted Geier, CEO

Signed "Kevin Saskiw"

Kevin Saskiw, CFO

Trusted Brand 2016 Inc.
Condensed Interim Statements of Financial Position

As at,

		March 31, 2020		December 31, 2019
Assets				
Current				
Cash	**$**	**167,933**	$	218,904
Deposit	**$**	**6,522**	$	-
Total Assets	**$**	**174,455**	$	218,904
Liabilities				
Current				
Accounts payable and accrued liabilities	**$**	**4,022**	$	19,000
Total Liabilities	**$**	**4,022**	$	4,022
Shareholders' Equity				
Share capital *(Note 4)*	**$**	**557,986**	$	557,986
Contributed surplus	**$**	**118,557**	$	118,557
Deficit	**$**	**(506,110)**	$	(476,639)
Total Shareholders' Equity	**$**	**170,433**	$	199,904
Total Liabilities and Shareholders Equity	**$**	**174,455**	$	218,904

Nature of operations *(Note 1)*

Letters of intent *(Note 9)*

Approved on behalf of the Board of Directors

"signed"
Director

"signed"
Director

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

		March 31, 2020		March 31, 2019
Expenses				
Professional fees	**$**	**22,989**	$	17,551
Finance costs	**$**	**67**	$	59
General and administrative expenses	**$**	**-**	$	9,179
Regulatory and filing fees *(Note 9)*	**$**	**6,415**	$	5,460
Total expenses	**$**	**29,471**	$	32,249
Loss and comprehensive loss	**$**	**(29,471)**	$	(32,249)
Basic and diluted loss per share	**$**	**(0.01)**	$	(0.02)
Weighted average common shares outstanding – basic and diluted *(Note 5)*		**2,143,700**		2,143,700

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

Trusted Brand 2016 Inc.
Condensed Interim Statements of Changes in Shareholders' Equity
For the three months ended March 31, 2020 and March 31, 2019

	Common Shares (#)	Share Capital ($)	Contributed Surplus ($)	Deficit ($)	Shareholders' Equity ($)
As at December 31, 2017	3,962,900	557,986	118,557	(303,546)	372,997
Loss and comprehensive loss	-	-	-	(49,768)	(49,768)
As at March 31, 2019	3,962,900	557,986	118,557	(385,583)	290,980
As at December 31, 2019	3,962,900	557,986	118,557	(476,639)	199,904
Loss and comprehensive loss	-	-	-	(29,471)	(29,471)
As at March 31, 2020	**3,962,900**	**557,986**	**118,557**	**(506,110)**	**170,433**

Trusted Brand 2016 Inc.
Condensed Interim Statements of Cash Flows
For the three months ended March 31, 2020 and March 31, 2019

		March 31, 2020		March 31, 2019
Cash used in the following activities:				
Operating activities				
Loss and comprehensive loss	**$**	**(29,471)**	$	(32,249)
Net change in non-cash operating activities:				
Deposit	**$**	**(6,522)**	$	-
Accounts payable and accrued liabilities	**$**	**(14,978)**	$	3,951
Cash used in operating activities	**$**	**(50,971)**	$	(28,298)
Change in cash resources	**$**	**(50,971)**	$	(28,298)
Cash resources, beginning of period	**$**	**218,904**	$	344,837
Cash resources, end of period	**$**	**167,933**	$	316,539

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

1. Nature of operations:

Trusted Brand 2016 Inc. (the "Corporation") was incorporated under the laws of Alberta on March 4, 2016. The Corporation is classified as a Capital Pool Corporation ("CPC") as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange"). The principal business of the Corporation is to identify and evaluate assets or businesses with a view to potentially acquire them or an interest therein by completing a purchase transaction, by exercising of an option or by any concomitant transaction. The purpose of such an acquisition is to satisfy the related conditions of a Qualifying Transaction under the Exchange policies.

Where an acquisition or participation is warranted, additional funding may be required. The ability of the Corporation to fund its potential future operations and commitments is dependent upon the ability of the Corporation to obtain additional financing.

There is no assurance that the Corporation will identify a business or asset that warrants acquisition or participation within the time limitations permissible under the policies of the Exchange, at which time the Exchange may suspend or de-list the Corporation's shares from trading.

The Corporation issued 1,680,000 common shares ("Seed Shares") for an amount of $210,000, and on September 12, 2016, the Corporation's prospectus for an Initial Public Offering ("IPO") of the Corporation's common shares was accepted by the regulatory authorities. The IPO closed on November 30, 2016 and a total of 2,282,900 common shares were issued at a price of $0.25 per common share. The Corporation's shares trade under the symbol HAH.P.

2. Basis of preparation:

Statement of compliance

The condensed interim financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34 – Interim Financial Reporting and follow the same accounting policies and methods of computation as the most recent annual financial statements.

Certain information and disclosures normally required to be included in the notes to the financial statements have been condensed or omitted. Accordingly, the condensed interim financial statements should be read in conjunction with the annual financial statements for the year-ended December 31, 2019, which were prepared in accordance with International Financial Reporting Standards ("IFRS").

The financial statements of the Corporation were authorized for issue in accordance with a resolution of the Directors on June 1, 2020.

Basis of measurement

These condensed interim financial statements were prepared on a going concern basis, under the historical cost convention, except for financial instruments and share-based compensation.

Use of estimates and judgments

The preparation of condensed interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed interim financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. Areas where estimates are significant to the condensed interim financial statements are disclosed in Note 3.

Functional and presentation currency

These condensed interim financial statements are presented in Canadian dollars, which is the Corporation's functional currency.

3. Significant accounting policies

Cash

Cash consists of the proceeds generated on the issuance of common shares.

Share-based payments

The Corporation applies a fair value based method of accounting to all share-based payments. Employee and director stock options are measured at their fair value of each tranche on the grant date and recognized over its respective vesting period. Non-employee stock options are measured based on the service provided to the reporting date and at their then-current fair values. The cost of stock options is presented as share-based payment expense when applicable. On the exercise of stock options share capital is credited for consideration received and for fair value amounts previously credited to contributed surplus. The Corporation uses the Black-Scholes option pricing model to estimate the fair value of share-based payments.

Taxes

Tax expense comprises current and deferred tax. Tax is recognized in the statement of loss and comprehensive loss except to the extent it relates to items recognized in other comprehensive loss or directly in equity.

Current tax

Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred taxes are the taxes expected to be payable or recoverable on differences between the carrying amounts of assets in the statement of financial position and their corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences between the carrying amounts of assets and their corresponding tax bases. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets in a transaction that affects neither the taxable profit nor the accounting profit.

Financial Instruments

Classification and measurement of financial instruments

The Corporation measures its financial assets and financial liabilities at fair value on initial recognition, which is typically the transaction price unless a financial instrument contains a significant financing component. Subsequent measurement is dependent on the financial instrument's classification which in the case of financial assets, is determined by the context of the Corporation's business model and the contractual cash flow characteristics of the financial asset. Financial assets are classified into two categories: (1) measured at amortized cost and (2) fair value through profit and loss ("FVTPL"). Financial liabilities are subsequently measured at amortized cost, other than financial liabilities that are measured at FVTPL or designated as FVTPL where any change in fair value resulting from an entity's own credit risk is recorded as other comprehensive income ("OCI").

3. Significant accounting policies (continued)

Amortized cost

The Corporation classifies its cash, and accounts payable and accrued liabilities as measured at amortized cost. The contractual cash flows received from the financial assets are solely payments of principal and interest and are held within a business model whose objective is to collect the contractual cash flows. These financial assets and financial liabilities are subsequently measured at amortized cost using the effective interest method.

Impairment of financial assets

The Corporation's financial assets are not considered to have a significant financing component and a lifetime expected credit loss ("ECL") is measured at the date of initial recognition of the financial asset.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Corporation are recorded at the proceeds received, net of direct issue costs.

Earnings/loss per share

Basic earnings or loss per share is calculated by dividing net earnings (loss) by the weighted average number of common shares outstanding during the period. The weighted average number of common shares outstanding is calculated by adjusting the shares issued at the beginning of the period by the number of shares bought back or issued during the period, multiplied by a time-weighting factor.

Diluted earnings or loss per share is calculated by adjusting the number of common shares for the effects of dilutive options and other dilutive potential units. Shares held in escrow that are only released upon contingent events are not included in the calculation of the weighted average number of common shares

Estimates

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the financial statements are:

Fair value of financial instruments

The estimated fair value of financial assets and liabilities, by their very nature, are subject to measurement uncertainty.

Stock options

The Corporation records stock-based payments based on management's judgement of the expected exercise date of options which is impacted by the timing of completion of the Qualifying Transaction.

Taxes

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Corporation reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Judgements

The key areas of judgment that have a significant risk of causing material adjustment to the amounts recognized in the condensed interim financial statements are:

3. Significant accounting policies (continued)

Taxes

The Corporation recognizes deferred tax assets to the extent that it is probable that future taxable profits will be available to utilize the Corporation's deductible temporary differences which are based on management's judgement on the degree of future taxable profits. To the extent that future taxable profits differ significantly from the estimates impacts the amount of the deferred tax assets management judges is probable.

4. Share capital:

Authorized

Unlimited number of Common Shares and Preferred Shares

Issued common shares	Number of shares	$
Balance as at December 31, 2019, and March 31, 2020	**3,962,900**	**557,986**

Escrow

The Corporation has issued 1,819,200 Common Shares (December 31, 2019 - 1,819,200) subject to an escrow agreement whereby 10% of the shares will be released upon completion and approval by the Exchange of the Corporation's Qualifying Transaction. An additional 15% of the escrowed Common Shares will be released on each six-month anniversary thereafter unless otherwise permitted by the Exchange. Common Shares issued upon the exercise of options held by officers and directors are subject to the same escrow conditions. Common Shares issued upon the exercise of the Agent's options are restricted such that only 50% of the issued shares on exercise of such options may be sold prior to the Corporation completing a Qualifying Transaction. These common shares which are considered contingently issuable until the Corporation completes a Qualifying Transaction are not considered to be outstanding for the purposes of the loss per share calculation.

Stock options

The Corporation has adopted an incentive stock option plan which provides that the Board of Directors of the Corporation may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and consultants to the Corporation, non-transferable options to purchase Common Shares, provided that the number of Common Shares reserved for issuance will not exceed 10% of the issued and outstanding Common Shares. However, other than in connection with a Qualifying Transaction, during the time that the Corporation is a CPC, the aggregate number of Common Shares issuable upon exercise of all options granted under the Option Plan shall not exceed 10% of the Common Shares of the Corporation issued and outstanding at the closing of the Corporation's initial public offering. Such options will be exercisable for a period of up to ten years from the date of grant.

The following table summarizes information about stock options outstanding:

	Number of options *(#)*	Weighted average remaining contractual life (years)	Weighted average exercise price *($)*
Balance at December 31, 2019	295,090	6.65	0.25
Expired	-	-	0.25
As at March 31, 2020	**295,090**	**6.40**	**0.25**

5. Capital disclosures

The Corporation’s capital consists of share capital. The Corporation’s objective for managing capital is to maintain sufficient capital to identify, evaluate and complete an acquisition or other transaction as disclosed in Note 1.

The Corporation sets the amount of capital in relation to risk and manages the capital structure and makes adjustments to it in light of changes to economic conditions and the risk characteristics of the underlying assets. The Corporation’s objectives when managing capital are:

i. to maintain a flexible capital structure, which optimizes the cost of capital at acceptable risk; and,
ii. to maintain investor, creditor and market confidence in order to sustain the future development of the business.

The Corporation is not subject to any externally or internally imposed capital requirements at period end.

6. Financial instruments

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

Fair value

Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act. The Corporation classifies the fair value of the financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1: Fair value measurements are those derived from quoted prices (unadjusted) in the active market for identical assets or liabilities.

Level 2: Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).

Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

The carrying amount of cash and accounts payable and accrued liabilities approximates their fair value due to the short-term maturities of these items.

Credit risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Corporation’s credit risk is primarily attributed to cash. Cash balances are held with the Corporation’s major Canadian financial institution, from which management believes the risk of loss to be remote.

Liquidity risk

The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2019, the Corporation had a cash balance of $167,933 (December 31, 2019 - $218,904) to settle future obligations of $4,022 (December 31, 2019 - $11,000). All the Corporation’s financial liabilities have contractual maturities of 30 days and are due on demand.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. As at March 31, 2020, the Corporation is not materially exposed to any market risks.

7. Taxes

The net income tax provision differs from that expected by applying the Canadian corporate rate due to the following:

	March 31, 2020
Loss before income tax	**(29,471)**
Statutory tax rate	**26.0%**
Expected tax recovery	**(7,662)**
Tax benefit not recognized	**7,662**
Income tax expense	**-**

The combined federal and provincial tax rate decreased to 26.5 percent from 27.0 percent due to the Alberta corporate tax rate decreasing from 12.0 percent to 11.0 percent effective July 1, 2019.

8. Related party transactions

Key management include all officers and directors of the Corporation and did not earn compensation for their services. At period end, included in accounts payable and accrued liabilities is $nil (December 31, 2019 - $nil) related to key management compensation.

9. Letter of intent

On January 31, 2020, the Corporation signed a binding letter of intent with 1421526 Alberta Ltd, an arm's length private corporation (the "Transaction"). 1421526 Alberta Ltd. is focused on real estate development in Edmonton, Alberta. Pursuant to the terms of the Transaction, the Corporation will acquire from the shareholders of 1421526 Alberta Ltd. all of the issued and outstanding shares of 1421526 Alberta Ltd. in exchange for 17,000,000 Common Shares of the Corporation at $0.20 per Common Share. The resulting issuer will issue a further 21,000,000 preferred shares to $0.20 per preferred share. The preferred shares will be convertible into one common share of the resulting issuer.