

RiseTech Capital Corp.

Financial Statements

**For the Year ended December 31, 2019 and the Period from Incorporation on
February 26, 2018 to December 31, 2018**

Stated in Canadian Dollars, unless otherwise noted

MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements have been prepared by Management of the Company which is responsible for the integrity and fairness of the information presented. The financial statements have been reviewed by the Audit Committee of the Board of Directors, and approved by the Board of Directors. The financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and reflect Management’s best estimates and judgments based on currently available information. The Company believes it has established appropriate systems of internal accounting controls in order to ensure the reliability of its financial information, on a reasonable and cost-effective basis. The financial statements have been audited by Baker Tilly WM LLP. Their report outlines the scope of their examination and opinion on the financial statements.

“Manroop Padda”

Chief Financial Officer
March 30, 2020

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of RiseTech Capital Corp.:

Opinion

We have audited the financial statements of RiseTech Capital Corp. (the "Company"), which comprise the statements of financial position as at December 31, 2019 and 2018, and the statements of loss and comprehensive loss, statements of changes in equity and statements of cash flows for the year ended December 31, 2019 and for the period from incorporation on February 26, 2018 to December 31, 2018, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019 and 2018, and its financial performance and its cash flows for the year ended December 31, 2019 and for the period from incorporation on February 26, 2018 to December 31, 2018 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion & Analysis filed with the relevant Canadian securities commissions.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits and remain alert for indications that the other information appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Graeme L. Cocke.

Baker Tilly WM LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, B.C.
March 30, 2020

RiseTech Capital Corp.
Statements of Financial Position
(Stated in Canadian Dollars)

	December 31, 2019	December 31, 2018
ASSETS		
Current assets		
Cash and cash equivalents	\$ 516,134	\$ 635,656
Interest receivable	7,178	-
GST recoverable (note 4)	-	5,248
Advances (note 9)	-	17,985
TOTAL ASSETS	\$ 523,312	\$ 658,889
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 30,761	\$ 64,238
Equity		
Share capital (note 5)	693,915	693,915
Share based payment reserve (note 5)	10,500	10,500
Deficit	(211,864)	(109,764)
Total equity	492,551	594,651
TOTAL LIABILITIES AND EQUITY	\$ 523,312	\$ 658,889
Subsequent event (note 11)		

Approved on behalf of the Board of Directors:

"Manroop Padda"

Director

"Tom Liston"

Director

RiseTech Capital Corp.

Statements of Loss and Comprehensive Loss

(Stated in Canadian Dollars)

	Year ended December 31, 2019	Period from incorporation on February 26, 2018 to December 31, 2018
Expenses		
Audit and accounting	\$ 10,592	\$ 22,280
General and administrative	22,150	192
Interest income	(7,178)	-
Listing fees	21,133	5,250
Professional fees	55,403	82,042
Loss and comprehensive loss for the period	\$ (102,100)	\$ (109,764)
Basic and diluted loss per common share (note 5)	\$ (0.04)	\$ (0.37)

RiseTech Capital Corp.
Statements of Changes in Equity
(Stated in Canadian Dollars)

	Common Shares		Share-based payment reserve	Deficit	Total
	Number	Amount			
Balance at December 31, 2018	12,500,000	\$ 693,915	\$ 10,500	\$ (109,764)	\$ 594,651
Loss for the year	-	-	-	(102,100)	(102,100)
Balance at December 31, 2019	12,500,000	\$ 693,915	\$ 10,500	\$ (211,864)	\$ 492,551
Balance at February 26, 2018	-	\$ -	\$ -	\$ -	\$ -
Issue of common shares (note 5)					
Seed shares	10,000,000	500,000	-	-	500,000
Initial Public Offering	2,000,000	200,000	-	-	200,000
Share issuance costs	-	(56,085)	10,500	-	(45,585)
Private placement	500,000	50,000	-	-	50,000
Loss for the period	-	-	-	(109,764)	(109,764)
Balance at December 31, 2018	12,500,000	\$ 693,915	\$ 10,500	\$ (109,764)	\$ 594,651

RiseTech Capital Corp.**Statement of Cash Flows**

(Stated in Canadian Dollars)

	Year ended December 31, 2019	Period from incorporation on February 26, 2018 to December 31, 2018
Operating activities		
Loss for the period	\$ (102,100)	\$ (109,764)
Changes in non-cash working capital items:		
Interest receivable	(7,178)	-
GST recoverable	5,248	(5,248)
Advances	17,985	(17,985)
Accounts payable and accrued liabilities	(24,356)	55,117
Net cash used in operating activities	(110,401)	(77,880)
Financing activities		
Issue of common shares	-	750,000
Share issuance costs	(9,121)	(36,464)
Net cash provided by financing activities	(9,121)	713,536
Change in cash and cash equivalents during the period	(119,522)	635,656
Cash and cash equivalents, beginning of period	635,656	-
Cash and cash equivalents, end of period	\$ 516,134	\$ 635,656
Cash and cash equivalents is comprised of:		
Cash	\$ 216,134	\$ 635,656
Cash equivalents	300,000	-
	\$ 516,134	\$ 635,656
Supplemental cash flow information		
Non cash financing activities		
Share issue costs in accounts payable and accrued liabilities	\$ -	\$ 9,121

RiseTech Capital Corp.

Notes to the Financial Statements

For the year ended December 31, 2019 and the period from incorporation on February 26, 2018 to December 31, 2018

(Stated in Canadian Dollars)

1. Nature and Continuance of Operations

RiseTech Capital Corp. (the “Company”) was incorporated on February 26, 2018 pursuant to the Business Corporations Act of British Columbia and is classified as a Capital Pool Company as defined in the TSX Venture Exchange (“TSX-V”) Policy 2.4. On November 21, 2018 the Company completed its Initial Public Offering (note 5) and on the same day its shares commenced trading on the TSX-V under the symbol “RTCC.P”.

As at December 31, 2019, the Company had no business operations and its only significant asset was cash and cash equivalents. During the year ended December 31, 2019, the Company did not enter into any agreements to acquire interests in businesses or assets. As a Capital Pool Company, the Company’s principal business is the identification and evaluation of assets, properties or businesses with a view to acquisition or participation therein subject, in certain cases, to shareholder approval and acceptance by the TSX-V. Where an acquisition or participation is warranted (the “Qualifying Transaction”), additional funding may be required. The ability of the Company to fund its potential future operations and commitments is dependent upon obtaining additional financing. There is no assurance that the Company will complete a Qualifying Transaction within twenty-four months from the date that the Company’s shares were listed on the TSX-V, at which time the TSX-V may suspend or de-list the Company’s shares from trading.

The registered and records office of the Company are located at 2900 – 550 Burrard Street, Vancouver, BC, Canada V6C 0A3.

2. Basis of Preparation

a) Statement of compliance

The Company has prepared its financial statements in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations of the IFRS Interpretations Committee (“IFRICs”).

b) Basis of presentation

The financial statements have been prepared on an accrual basis, except for cash flow information, and are based on historical costs, except for certain financial instruments carried at fair value. The financial statements are presented in Canadian dollars and all values are rounded to the nearest dollar except for per share information.

c) Approval of the financial statements

The financial statements of the Company for the year ended December 31, 2019 were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on March 30, 2020.

RiseTech Capital Corp.

Notes to the Financial Statements

For the year ended December 31, 2019 and the period from incorporation on February 26, 2018 to December 31, 2018

(Stated in Canadian Dollars)

3. Summary of Significant Accounting Policies

a) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks, or held in trust, and short term deposits that are readily convertible into a known amount of cash and subject to insignificant risk of changes in fair value. As at December 31, 2019, the Company holds a one-year cashable GIC of \$300,000 (2018 - \$nil).

b) Foreign currencies

The financial statements are presented in Canadian dollars. The Company's functional currency is the Canadian dollar, which is the currency of the primary economic environment in which the Company operates.

Transactions in foreign currencies are initially recorded at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the rate of exchange at the date of the statement of financial position. Revenue and expense items are translated at the rate of exchange at the transaction date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

c) Share-based payments

Employees (including directors and senior executives) of the Company may receive a portion of their remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions"). The costs of equity-settled transactions with employees are measured by reference to the fair value of the equity instruments at the date on which they are granted.

In situations where equity instruments are issued to non-employees for goods or services, the transaction is measured at the fair value of the goods or services received by the entity. When the value of the goods or services cannot be reliably estimated, they are measured at the fair value of the share-based payment.

The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("vesting date"). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is recorded in share-based payment reserve.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled transaction are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional amount is recognized on the same basis as the amount of the original award for any modification which increases the total fair value of the equity-settled transactions or is otherwise beneficial to the employee as measured at the date of modification.

RiseTech Capital Corp.

Notes to the Financial Statements

For the year ended December 31, 2019 and the period from incorporation on February 26, 2018 to December 31, 2018

(Stated in Canadian Dollars)

3. Summary of Significant Accounting Policies (cont'd)

d) Taxation

Income tax expense represents the sum of tax currently payable and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are substantively enacted at the date of the statement of financial position.

Deferred income tax

Deferred income taxes are provided using the liability method on temporary differences at the date of the statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable earnings; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences and carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable earnings; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at the date of each statement of financial position and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilized. Unrecognized deferred income tax assets are reassessed at the date of each statement of financial position and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

RiseTech Capital Corp.

Notes to the Financial Statements

For the year ended December 31, 2019 and the period from incorporation on February 26, 2018 to December 31, 2018

(Stated in Canadian Dollars)

3. Summary of Significant Accounting Policies (cont'd)

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the date of the statement of financial position.

Deferred income tax relating to items recognized directly in equity is recognized in equity and not in profit or loss.

Deferred income tax assets and deferred income tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

e) Earnings or loss per share

The Company presents basic and diluted earnings and or loss per share data for its common shares. Basic earnings or loss per share is computed by dividing the loss by the weighted average number of common shares outstanding during the period. Diluted earnings per share reflects the potential dilution of common share equivalents, such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the period. 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 shares at the average market price during the reporting periods. In a loss period, potentially dilutive stock options and warrants are excluded from the loss per share calculation as the effect would be anti-dilutive. Common shares that are contingently returnable are not included in the calculation.

f) Financial instruments

Recognition

The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value, and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

A write-off of a financial asset (or a portion thereof) constitutes a derecognition event. Write-off occurs when the Company has no reasonable expectation of recovering the contractual cash flows on a financial asset.

RiseTech Capital Corp.

Notes to the Financial Statements

For the year ended December 31, 2019 and the period from incorporation on February 26, 2018 to December 31, 2018

(Stated in Canadian Dollars)

3. Summary of Significant Accounting Policies (cont'd)

Classification and Measurement

The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories:

- i. those to be measured subsequently at fair value, either through profit or loss ("FVTPL") or through other comprehensive income ("FVTOCI"); and,
- ii. those to be measured subsequently at amortized cost.

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. 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 each subsequent reporting period. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

After initial recognition at fair value, financial liabilities are classified and measured at either:

- i. amortized cost;
- ii. FVTPL, if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives); or,
- iii. FVTOCI, when the change in fair value is attributable to changes in the Company's credit risk.

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

Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability classified as subsequently measured at amortized cost or FVTOCI are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at fair value through profit or loss are expensed in profit or loss.

The Company's financial assets consist of cash and cash equivalents, and interest receivable, which are classified as subsequently measured at amortized cost, using the effective interest method. The Company's financial liabilities consist of accounts payable and accrued liabilities, which are classified and measured at amortized cost using the effective interest method. Interest income and expense is reported in profit or loss.

Impairment

The Company assesses all information available, including on a forward-looking basis the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportable forward-looking information.

RiseTech Capital Corp.

Notes to the Financial Statements

For the year ended December 31, 2019 and the period from incorporation on February 26, 2018 to December 31, 2018

(Stated in Canadian Dollars)

3. Summary of Significant Accounting Policies (cont'd)

g) Interest income

Interest income from financial assets is accrued based on the credit impaired status of the financial asset as follows:

- i) *Not a purchased or originated credit-impaired financial asset, or has not become credit impaired since initial recognition*, interest revenue is calculated using a 'gross method' of applying the effective interest rate method to the gross carrying amount of the asset (i.e. its carrying amount excluding the loss allowance).
- ii) *Not a purchased or originated credit-impaired financial asset but subsequently has become credit-impaired*, from the beginning of the next reporting period, interest revenue is calculated using a 'net method' of applying the effective interest rate to the net amortized cost balance (i.e. including the loss allowance).
- iii) *Improvement of credit risk, following a period of using the 'net method'*, so that the financial asset is no longer credit-impaired and the improvement can be related objectively to an event since the net method was applied, the calculation of interest revenue reverts to the 'gross method' from the beginning of the next reporting period.
- iv) *Purchased or originated credit-impaired financial assets*, interest revenue is recognized by applying the credit-adjusted effective interest rate to the amortized cost carrying amount. The credit adjusted effective interest rate is the rate that discounts the cash flows expected on initial recognition (explicitly taking account of expected credit losses as well as contractual terms of the instrument) back to the amortized cost at initial recognition.

h) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. Any increase in a provision due solely to passage of time is recognized as interest expense.

i) Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence, and related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the exchange amount.

RiseTech Capital Corp.

Notes to the Financial Statements

For the year ended December 31, 2019 and the period from incorporation on February 26, 2018 to December 31, 2018

(Stated in Canadian Dollars)

3. Summary of Significant Accounting Policies (cont'd)

j) Significant accounting judgments and estimates

The preparation of these financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions.

The Company adopted IFRS 16 – *Leases*, on January 1, 2019. IFRS 16 introduced a single, on-balance sheet accounting model for lessees. The Company may elect to not apply IFRS 16 to leases with a term of less than 12 months or leases where the underlying asset is of low value. The adoption of IFRS 16 did not have any impact on the financial statements of the Company.

There are no key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the financial statements as at December 31, 2019.

k) Standards and amendments issued but not yet effective

At the date of authorization of these financial statements, management of the Company has considered new and revised standards that the IASB has issued, but which are not yet effective, and determined that those standards are not expected to have a material impact on the Company's financial statements.

4. GST Recoverable

During the year ended December 31, 2019, the Company received notice from the Canada Revenue Agency ("CRA") that the Company's GST income tax credits ("ITCs") recorded on invoices paid were not recoverable as the Company was not yet generating operating income. As a result, the Company wrote off all GST recoverable amounts to \$nil and now expenses all GST amounts incurred to profit and loss. For the year ended December 31, 2019, the Company recorded GST expense of \$8,383 to general and administrative expenses. The Company expects that once a Qualifying Transaction has been completed and the Company is generating operating income, all ITCs incurred from that point onwards will be recoverable.

5. Shareholders' Equity

a) Authorized and issued share capital:

Unlimited number of common shares without par value.

The Company issued no common shares during the year ended December 31, 2019.

During the period from Incorporation on February 26, 2018 to December 31, 2018, the Company issued the following common shares:

- On February 26, 2018, the Company issued 10,000,000 common shares at a price of \$0.05 per share for cash proceeds of \$500,000.

RiseTech Capital Corp.

Notes to the Financial Statements

For the year ended December 31, 2019 and the period from incorporation on February 26, 2018 to December 31, 2018

(Stated in Canadian Dollars)

5. Shareholders' Equity (cont'd)

- On November 21, 2018, the Company closed its distribution and initial public offering ("IPO") by issuing 2,000,000 common shares for gross proceeds of \$200,000. PI Financial Corp. (the "Agent") was issued 100,000 Agent's Options being equal to 5% of the number of common shares sold under the IPO. Each Agent's Option will entitle the Agent to acquire one common share at \$0.10 per share exercisable at any time for a period of 24 months from the date of grant. In connection with the IPO, the Company paid to the Agent a \$10,000 commission, a corporate finance fee of \$5,000, and other expenses of \$16,500. The fair value of the Agents' Options has been estimated using the Black-Scholes Option Pricing Model assuming a risk-free interest rate of 2.20%, an expected life of 2 years, an expected volatility of 56% and no expected dividends. The expected volatility was determined using the average historical volatility of similar entities that are publicly listed on the basis that the Company has limited historical information. The fair value of the Agent's Options is \$10,500 and recorded as share issue costs. The Company incurred additional professional fees of \$84,509 with respect to the prospectus and IPO. These professional fees were allocated to share issue costs (\$14,085) and profit and loss (\$70,424).
- On December 7, 2018, the Company issued 500,000 common shares at a price of \$0.10 for cash proceeds of \$50,000.

b) Escrowed shares:

An escrow agreement (the "Escrow Agreement") between the Company and certain shareholders of the Company has been executed resulting in the deposit into escrow of 10,000,000 common shares (the "Escrowed Shares"), being all of the issued and outstanding common shares prior to the completion of the IPO. Pursuant to the Escrow Agreement, the Escrowed Shares shall be released pro-rata to the shareholders as to 10% upon issuance of notice of final acceptance of a Qualifying Transaction by the TSX-V and as to the remainder in six equal tranches of 15% every six months thereafter for a period of 36 months. These Escrowed Shares may not be transferred, assigned or otherwise dealt without the consent of the regulatory authorities.

c) Loss per share:

Basic and diluted loss per share

	Year ended December 31, 2019	Period ended December 31, 2018
Numerator:		
Net loss	\$ (102,100)	\$ (109,764)
Denominator:		
Weighted average number of common shares (basic and diluted)	2,500,000	298,701
Basic and diluted loss per common share	\$ (0.04)	\$ (0.37)

6. Financial Instruments

The Company is exposed to various financial risks resulting from its operations. The Company's management manages financial risks. The Company does not enter into financial instruments agreements, including derivative financial instruments for speculative purposes. The Company's main financial risk exposures and its financial policies are as follows:

RiseTech Capital Corp.

Notes to the Financial Statements

For the year ended December 31, 2019 and the period from incorporation on February 26, 2018 to December 31, 2018

(Stated in Canadian Dollars)

6. Financial Instruments (continued)

a) Fair value of financial instruments

The Company's financial instruments consist of cash and cash equivalents, interest receivable, and accounts payable and accrued liabilities. Each of the financial instruments have a carrying value that approximates fair value due to the short term to maturity of these financial instruments.

b) 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 cash and cash equivalents, and interest receivable are exposed to credit risk, with their carrying value being the Company's maximum exposure. The Company's cash and cash equivalents consists of funds held at a Canadian Schedule 1 Chartered Bank. The interest receivable is due from a Canadian Schedule 1 Chartered Bank based on a GIC held by the Company. Management believes the Company's exposure to credit risk is minimal.

c) 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 is not exposed to significant interest rate risk as the cash and cash equivalent balances are earning interest at nominal rates as of December 31, 2019. The Company had no interest rate swaps or financial contracts in place as at or during the year ended December 31, 2019.

d) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company's liabilities are all current and due within 90 days of the statement of financial position date. The Company seeks to ensure that it has sufficient capital to meet short term financial obligations after taking into account its operating obligations and cash on hand.

7. Capital Management

The Company's capital currently consists of common shares. Its principal source of cash is from the issuance of common shares. The Company's capital management objectives are to safeguard its ability to continue as a going concern and to have sufficient capital to be able to identify, evaluate and then acquire an interest in businesses or assets. The Company does not have any externally imposed capital requirements to which it is subject. 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 the capital structure, the Company may attempt to issue new shares.

The Company, listed on the TSX-V as a Capital Pool Company, may only use the proceeds raised from the issuance of share capital and from the initial public offering (note 5) to identify and evaluate assets or businesses for future investment, with the exception that up to 30% of the gross proceeds may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until the completion of a Qualifying Transaction by the Company as defined under the policies of the TSX-V.

RiseTech Capital Corp.

Notes to the Financial Statements

For the year ended December 31, 2019 and the period from incorporation on February 26, 2018 to December 31, 2018

(Stated in Canadian Dollars)

8. Segmented Information

At December 31, 2019, the Company has one reportable operating segment being the identification and evaluation of assets or a business and, once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities. All of the Company's assets are located in Canada.

An operating segment is defined as a component of the Company:

- that engages in business activities from which it may earn revenues and incur expenses;
- whose operating results are reviewed regularly by the entity's chief operating decision maker; and
- for which discrete financial information is available.

9. Related party transactions

Key management personnel includes the Directors and officers of the Company. No remuneration was paid or accrued to key management personnel in the year ended December 31, 2019, or for the period from incorporation on February 28, 2018 to December 31, 2018.

At December 31, 2019, the Company has no funds (2018 - \$17,985) advanced to Directors for expenditures to be paid by the Directors on behalf of the Company.

10. Income Taxes

Tax expense differs from the amount computed by applying the combined Canadian federal and provincial income tax rates, applicable to the Company, to the loss before income taxes due to the following:

	2019	2018
Loss before income taxes	\$ (102,100)	\$ (109,764)
Canadian federal and provincial income tax rates	27%	27%
Income tax expense (recovery) based on Canadian federal and provincial income tax rates	(27,567)	(29,600)
Increase (decrease) attributable to:		
Share issue costs incurred	-	(15,100)
Changes in unrecognized deferred tax assets	27,567	44,700
Tax expense	\$ -	\$ -

RiseTech Capital Corp.

Notes to the Financial Statements

For the year ended December 31, 2019 and the period from incorporation on February 26, 2018 to December 31, 2018

(Stated in Canadian Dollars)

10. Income Taxes (continued)

Unrecognized deductible temporary differences and unused tax losses are attributable to the following:

	December 31, 2019	December 31, 2018
Non-capital loss carry forwards	\$ 63,200	\$ 32,600
Share issue costs	9,100	12,100

At December 31, 2019, the Company has non-capital losses approximately \$234,000 available for carry-forward to reduce future years' income taxes. These losses will expire from 2038 through 2039.

11. Subsequent Event

Subsequent to year end, the novel coronavirus (COVID-19) pandemic has evolved into a global crisis. The quarantines and related work and travel restrictions implemented in countries around the globe to contain the outbreak have affected the global economy and market conditions in the first quarter of 2020, and the Company expects the economic disruptions and market conditions to continue beyond the first quarter of 2020. The impact of the coronavirus pandemic on the business of the Company is unclear. The balance of these effects in this case will likely be driven by how long the economic disruptions and market conditions last once the pandemic is contained, the timing of which is currently uncertain. The situation may have an impact on the Company's ability to find, negotiate, and close a Qualifying Transaction.