

A-Labs Capital IV Corp.
(A Capital Pool Company)

Financial Statements

(Expressed in Canadian Dollars)

**For the Year Ended March 31, 2020 and the
Period From Date of Incorporation (November
26, 2018) to March 31, 2019**

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of A-Labs Capital IV Corp.

Opinion

We have audited the financial statements of A-Labs Capital IV Corp., (the "Company"), which comprise the statement of financial position as at March 31, 2020 and 2019 and the statements of (loss) income and comprehensive (loss) income, changes in shareholders' equity and cash flows for the periods then ended, 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 March 31, 2020 and 2019, and its financial performance and its cash flows for the periods then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit 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 audit 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 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 Management's Discussion and Analysis.

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 audit 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 audit or otherwise appears to be materially misstated.

We obtained the report prior to the date of this auditor's report. 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. We have nothing to report in this regard.

Responsibilities of Management 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.

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 Octavio Cabral.

RSM Canada LLP

Chartered Professional Accountants
Licensed Public Accountants
July 29, 2020
Toronto, Ontario

	2020	2019
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Cash (Note 4)	\$ 191,904	\$ 100,191
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Accounts payable and accruals	\$	5,228	\$	-
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Capital stock (Note 5)	239,118	100,000
Contributed surplus	40,384	-
Deficit	(92,826)	191
	186,676	100,191
	\$ 191,904	\$ 100,191

Subsequent Event (Note 11)

Approved by the Board "(signed) Chay Benhamou" "(signed) Yossi Shemesh"
Director Director

A-Labs Capital IV Corp.
(A Capital Pool Company)
Statements of (Loss) Income and Comprehensive (Loss) Income
(Expressed in Canadian Dollars)

	For the Year Ended March 31, 2020	Period From Incorporation on November 26, 2018 to March 31, 2019
Expenses		
Foreign exchange gain/loss	\$ -	\$ (191)
Operating expenses	26,772	-
Professional fees	36,422	-
Stock based compensation	29,823	-
	93,017	(191)
Net (loss) income and comprehensive (loss) income	\$ (93,017)	\$ 191

Loss per Share

Basic and diluted per share	\$ (0.09)	\$ -
Weighted average number of shares outstanding	1,002,740	-

A-Labs Capital IV Corp.
(A Capital Pool Company)
Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Capital Stock Shares	Amount	Contributed Surplus	Retained Earnings (Deficit)	Total
Balance, November 26, 2018	-	\$ -	\$ -	\$ -	-
Shares issued for cash - founders' shares (Note 5)	2,000,000	100,000	-	-	100,000
Net income for the period	-	-	-	191	191
Balance, March 31, 2019	2,000,000	\$ 100,000	\$ -	\$ 191	100,191
Shares issued for cash -initial public offering (Note 5)	2,000,000	200,000	-	-	200,000
Share issuance costs (Note 5)	-	(50,321)	-	-	(50,321)
Stock based compensation (Note 6)	-	-	29,823	-	29,823
Stock options issued to agents (Note 6)	-	(10,561)	10,561	-	-
Net loss for the year	-	-	-	(93,017)	(93,017)
Balance, March 31, 2020	4,000,000	\$ 239,118	\$ 40,384	\$ (92,826)	186,676

A-Labs Capital IV Corp.
(A Capital Pool Company)
Statements of Cash Flows
(Expressed in Canadian Dollars)

	For the Year Ended March 31, 2020	Period From Incorporation on November 26, 2018 to March 31, 2019
Cash provided by (used in)		
Operating Activities		
Net (loss) income for the period	\$ (93,017)	\$ 191
Items not affecting cash		
Stock based compensation	29,823	-
	(63,194)	191
Net changes in non-cash working capital		
Accounts payable and accruals	5,228	-
Cash used in operating activities	(57,966)	191
Financing Activity		
Issuance of capital stock (Note 5)	200,000	100,000
Share issuance costs	(50,321)	-
	149,679	100,000
Net change in cash during the period	91,713	100,191
Cash, beginning of period	100,191	-
Cash, end of period	\$ 191,904	\$ 100,191

A-Labs Capital IV Corp.

(A Capital Pool Company)

Notes to Financial Statements

(Expressed in Canadian Dollars)

For the Year Ended March 31, 2020 and the Period From Date of Incorporation (November 26, 2018) to March 31, 2019

1. NATURE OF OPERATIONS

A-Labs Capital IV Corp. (the "Company") was incorporated by a Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act (BC) on November 26, 2018. The registered office is located at 2800 Park Place, 666 Burrard Street, Vancouver, BC, V6C 2Z7.

The Company is classified as a Capital Pool Company ("CPC") as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange"). The principal business of the Company 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 rules.

In November 2018, the Company issued 2,000,000 common shares for gross proceeds of \$100,000. On September 30, 2019, the Company completed an Initial Public Offering ("IPO") of 2,000,000 of the Company's common shares at \$0.10 per share for aggregate gross proceeds of \$200,000.

As a CPC, the Company's principal business will be 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 Venture. 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 the ability of the Company to obtain additional financing. There is no assurance that the Company will complete a Qualifying Transaction within twenty-four months from the date the Company's shares are listed on the TSX Venture, at which time the TSX Venture may suspend or de-list the Company's shares from trading.

2. BASIS OF PRESENTATION

Statement of Compliance

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

These financial statements were authorized for issuance by the Board of Directors on July 29, 2020.

Basis of Measurement

The financial statements are presented in Canadian dollars, which is the Company's functional and presentation currency.

A-Labs Capital IV Corp.
(A Capital Pool Company)
Notes to Financial Statements
(Expressed in Canadian Dollars)

For the Year Ended March 31, 2020 and the Period From Date of Incorporation (November 26, 2018) to March 31, 2019

2. BASIS OF PRESENTATION (Cont'd)

Significant Accounting Judgments, Estimates and Assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities. The estimates and associated assumptions are based on anticipations and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Significant judgments made in preparation of these financial statements include:

- The Company uses the Black-Scholes option pricing model to determine the fair value of options in order to calculate stock based compensation expense and the fair value of agent options. The Black-Scholes model involves six key inputs to determine fair value of an option: risk-free interest rate, exercise price, market price at date of issue, expected dividend yield, expected life, and expected volatility. Certain of the inputs are estimates that involve considerable judgment and are or could be affected by significant factors that are out of the Company's control. The Company is also required to estimate the future forfeiture rate of options based on historical information in its calculation of stock based compensation expense.

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards within the framework of the significant accounting policies described below:

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

A-Labs Capital IV Corp.
(A Capital Pool Company)
Notes to Financial Statements
(Expressed in Canadian Dollars)

For the Year Ended March 31, 2020 and the Period From Date of Incorporation (November 26, 2018) to March 31, 2019

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial Instruments (Cont'd)

i) Financial assets

The Company classifies its financial assets in the following measurement categories:

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

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses are either recorded in profit or loss or OCI.

At present, the Company classifies all financial assets as held at amortized cost.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial assets depends on their classification. There are three measurement categories under which the Company classifies its financial assets:

- **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included as finance income using the effective interest rate method.
- **Fair value through OCI (FVOCI):** Debt instruments that are held for collection of contractual cash flows and for selling the debt instruments, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the debt instrument is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these debt instruments is included as finance income using the effective interest rate method.

A-Labs Capital IV Corp.

(A Capital Pool Company)

Notes to Financial Statements

(Expressed in Canadian Dollars)

For the Year Ended March 31, 2020 and the Period From Date of Incorporation (November 26, 2018) to March 31, 2019

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial Instruments (Cont'd)

i) Financial assets (Cont'd)

- Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net as revenue in the statement of loss and comprehensive loss in the period in which it arises.

ii) Financial liabilities

A financial liability is classified as at FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The fair value changes to financial liabilities at FVTPL are presented as follows: where the Company optionally designates financial liabilities at FVTPL the amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and the remaining amount of the change in the fair value is presented in profit or loss. The Company does not designate any financial liabilities at FVTPL.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

At present, the Company classifies all of its financial liabilities as held at amortized cost. These financial liabilities are classified as current liabilities as the payment is due within 12 months.

Impairment

Financial assets

At each balance sheet date, on a forward-looking basis, the Company assesses the expected credit losses associated with its financial assets carried at amortized cost and Fair Value through Other Comprehensive Income ("FVOCI"). The impairment methodology applied depends on whether there has been a significant increase in credit risk. The impairment model does not apply to FVTPL instruments. The expected credit losses are required to be measured through a loss allowance at an amount equal to the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date) or full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument). A loss allowance for full lifetime expected credit losses is required for a financial instrument if the credit risk of that financial instrument has increased significantly since initial recognition.

Deferred Taxes

Deferred tax assets and liabilities are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled.

A-Labs Capital IV Corp.**(A Capital Pool Company)****Notes to Financial Statements****(Expressed in Canadian Dollars)****For the Year Ended March 31, 2020 and the Period From Date of Incorporation (November 26, 2018) to March 31, 2019****3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)****Deferred Taxes (Cont'd)**

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income (loss) in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

4. CASH RESTRICTION

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 Company. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under the Exchange Policy 2.4. As at March 31, 2020, the Company has exceeded this limit. The impact of this violation is not known and is ultimately dependent on the Exchange.

5. CAPITAL STOCK

	Number of Common Shares	Capital Stock	Contributed Surplus
Shares issued for cash - founders' shares (in Escrow) (a)	2,000,000	\$ 100,000	\$ -
Balance, March 31, 2019	2,000,000	\$ 100,000	\$ -
Shares issued for cash - initial public offering at \$0.10 (b)	2,000,000	200,000	-
Share issuance costs (b)	-	(50,321)	-
Stock based compensation	-	-	29,823
Agent's stock options	-	(10,561)	10,561
Balance, March 31, 2020	4,000,000	\$ 239,118	\$ 40,384

A-Labs Capital IV Corp.**(A Capital Pool Company)****Notes to Financial Statements****(Expressed in Canadian Dollars)****For the Year Ended March 31, 2020 and the Period From Date of Incorporation (November 26, 2018) to March 31, 2019**

5. CAPITAL STOCK (Cont'd)

- (a) The issued and outstanding founders' common shares are subject to a CPC Escrow Agreement. Under the CPC Escrow Agreement, 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 the dates 6, 12, 18, 24, 30 and 36 months following the Initial Release. All common shares acquired on the exercise of stock options granted to directors, officers and non-employees prior to the completion of a qualifying transaction must also be deposited in escrow until the Final Exchange Bulletin is issued. In addition, all common shares of the Company acquired in the secondary market prior to the completion of a qualifying transaction by any person or company who becomes a control person are required to be deposited in escrow. Subject to certain exemptions permitted by the Exchange, all securities of the Company held by principals of the resulting issuer will also be escrowed.

The founders' shares were deposited into escrow on July 19, 2019. Therefore, the weighted average shares outstanding does not include these shares as they are contingently returnable.

- (b) On September 30, 2019, the Company completed an initial public offering of 2,000,000 common shares at a price of \$0.10 per share for gross proceeds to the Company of \$200,000. The agent received a cash commission of \$50,321 including the agent's legal fees and other disbursements. The agent was also granted a non-transferable option to acquire 200,000 of common shares of the Company for a period of 24 months from the date of listing of the common shares on the TSX Venture Exchange at an exercise price of \$0.10 per common share. The fair value assigned to these agent options issued is \$10,561 (Note 6(a)).

6. STOCK OPTIONS

The Board of Directors of the Company may from time to time, at its discretion, and in accordance with the Exchange requirements, grant to directors, officers, and technical consultants of 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 exercisable for a period of up to 10 years from the date of grant. Options may be exercised until the later of 12 months after the Completion of the Qualifying Transaction and 90 days following cessation of the optioned's position with the Corporation. Any Common Shares acquired pursuant to the exercise of options prior to the Completion of the Qualifying Transaction, must be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued.

The following summarizes the stock option activities under the plan:

	2020		2019	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Granted (a)(b)	600,000	\$0.10	-	\$ -
Outstanding and exercisable	600,000	\$0.10	-	\$ -

A-Labs Capital IV Corp.**(A Capital Pool Company)****Notes to Financial Statements**

(Expressed in Canadian Dollars)

For the Year Ended March 31, 2020 and the Period From Date of Incorporation (November 26, 2018) to March 31, 2019**6. STOCK OPTIONS (Cont'd)**

The Company had the following stock options outstanding at March 31, 2020:

Number of Options	Exercisable	Exercise Price	Expiry Date
200,000	200,000	\$ 0.10	September 30, 2021
400,000	400,000	\$ 0.10	September 30, 2024
600,000	600,000	\$ 0.10	

(a) Agent options

On September 30, 2019, the Company granted 200,000 stock options to its agent. These options vested immediately. Each option entitles the holder to purchase one common share at \$0.10 per share at any time on or before September 30, 2021. As the fair value of the services received from the agents was not determinable, the stock options granted were measured using the fair value of the equity instruments provided. The fair value of these stock options of \$10,561 was estimated at the grant date based on the Black-Scholes pricing model, using the following weighted average assumptions:

Share price	\$0.10
Expected dividend yield	Nil
Risk-free interest rate	1.58%
Expected life	2.0 years
Expected volatility ⁽ⁱ⁾	100%

- (i) As historical volatility of the Company's common shares is not available, expected volatility is based on the historical performance of the common shares of other similar companies.

(b) Directors' and officers' options

On September 30, 2019, the Company granted 400,000 stock options to directors. These options vested immediately. Each option entitles the holder to purchase one common share at \$0.10 per share at any time on or before September 30, 2024. The fair value of these stock options of \$29,823 was estimated at the grant date based on the Black-Scholes pricing model, using the following weighted average assumptions:

Share price	\$0.10
Expected dividend yield	Nil
Risk-free interest rate	1.40%
Expected life	5.0 years
Expected volatility ⁽ⁱ⁾	100%

- (i) As historical volatility of the Company's common shares is not available, expected volatility is based on the historical performance of the common shares of other similar companies

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company's stock options.

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For the Year Ended March 31, 2020 and the Period From Date of Incorporation (November 26, 2018) to March 31, 2019

7. TRANSACTIONS WITH RELATED PARTIES

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

During the period ended March 31, 2020, 400,000 stock options were granted to directors and officers which were valued at \$29,823 (Note 6(b)). There was no further compensation to key management personnel.

8. LOSS PER SHARE

The calculation of basic and diluted loss per share for the year ended March 31, 2020 was based on the loss attributable to common shareholders of \$93,017 (2019 - profit \$191) and the average weighted average number of capital stock outstanding of 1,002,740 (2018 - nil) (non-escrowed shares). Diluted loss per share did not include the effect of 600,000 stock options outstanding as they are anti-dilutive. The weighted average shares outstanding does not include 2,000,000 escrowed shares as they are contingently returnable.

9. DEFERRED TAXES

(a) Income Tax Expense

The following table reconciles income taxes calculated at combined Canadian federal/provincial tax rates with the income tax expense in the consolidated financial statements:

	2020	2019
Earnings (loss) before income taxes	\$ (93,017)	\$ 191
Statutory rate	26.5 %	26.5 %
Expected income tax recovery	\$ (24,650)	\$ 51
Effect on income taxes of unrecognized future income tax assets relating to deductible temporary differences on:		
Stock based compensation	7,904	-
Share issuance costs	(13,335)	-
Change in deferred tax assets not recognized	30,081	(51)
Income tax expense	\$ -	\$ -

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For the Year Ended March 31, 2020 and the Period From Date of Incorporation (November 26, 2018) to March 31, 2019

9. DEFERRED TAXES (Cont'd)

(b) Deferred Income Taxes

The temporary differences that give rise to deferred income tax assets and deferred income tax liabilities are presented below:

	2020	2019
Amounts related to tax loss carry forwards	\$ 19,413	\$ -
Share issuance costs	10,668	-
Net future tax asset	30,081	-
Less: Valuation allowance	(30,081)	-
	\$ -	\$ -

(c) Loss and Tax Credit Carryforwards

As at March 31, 2020, the Company has non-capital losses of \$73,528 expiring as follows:

2040	\$ 73,528
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The potential tax benefit relating to the non-capital losses and tax credit carryforwards has not been reflected in these consolidated financial statements.

10. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Capital Management

The Company'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 Company includes share capital in the definition of capital.

The Company'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 Company may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

The Company is not subject to externally imposed capital requirements other than the cash restriction disclosed in Note 4.

A-Labs Capital IV Corp.**(A Capital Pool Company)****Notes to Financial Statements****(Expressed in Canadian Dollars)****For the Year Ended March 31, 2020 and the Period From Date of Incorporation (November 26, 2018) to March 31, 2019**

10. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)**Risk Disclosures and Fair Values**

The Company's financial instruments, consisting of cash and accounts payable, approximate fair values due to the relatively short term maturities of the instruments. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

As at March 31, 2020, the Company had accounts payable of \$5,228 due within 12 months and had cash of \$191,904 to meet its current obligations. As a result the Company has minimal liquidity risk.

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk. Cash is held at major financial institutions.

11. COVID-19

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting 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. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the successful completion of a qualifying transaction or potential delays in the timing of closing a transaction and condition of the Corporation in future periods.