Wishpond Technologies Ltd.
Annual Financial Statements

For the Periods Ended
June 30, 2020 (unaudited)
December 31, 2019 (audited)
December 31, 2018 (unaudited)

Expressed in Canadian Dollars

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Independent Auditor's Report

To the Directors of Wishpond Technologies Ltd.

Opinion

We have audited the financial statements of Wishpond Technologies Ltd. ("the Company"), which comprise the statement of financial position as at December 31, 2019, and the statements of loss and comprehensive loss, changes in shareholder's equity (deficiency) and cash flows for the year 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 December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss of $428,298 during the year ended December 31, 2019 and, as of that date, the Company's current liabilities exceeded its current assets by $5,833,491. As stated in Note 1, these events indicate that material uncertainties exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Matter – Comparative Information

The comparative information as at December 31, 2018 and June 30, 2020 and for the year ended December 31, 2018 and the six month periods ended June 30, 2020 and 2019 is unaudited. Accordingly, we do not express an opinion on these periods.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS, 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.

BDO Canada LLP

BDO Canada LLP
Chartered Professional Accountants
October 8, 2020

Wishpond Technologies Ltd.
Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	For the six months ended June 30, 2020 (Unaudited) $	For the twelve months ended December 31, 2019 (Audited) $	For the six months ended June 30, 2019 (Unaudited) $	For the twelve months ended December 31, 2018 (Unaudited) $
Revenue	3,488,014	6,050,303	2,894,838	4,307,770
Cost of sales	1,276,737	2,149,006	977,493	1,406,001
Gross profit	2,211,277	3,901,297	1,917,345	2,901,769
Operating expenses:				
Salaries, wages, and employee benefits	810,823	1,588,870	818,734	1,364,198
Sales and marketing	479,834	706,696	363,278	641,861
Subcontractor expenses	311,266	640,270	325,972	365,169
Depreciation and amortization	191,023	387,603	190,236	368,799
Software and subscriptions	178,307	304,916	148,519	318,061
Office and general	168,219	340,932	169,073	312,327
Stock based compensation (Note 10)	59,483	93,544	51,644	70,580
Professional fees	54,653	74,648	15,523	12,590
Property tax	45,438	86,592	43,296	93,408
Meals and entertainment	7,939	54,896	27,221	68,925
Total operating expenses	2,306,985	4,278,967	2,153,496	3,615,918
Loss before undernoted items	(95,708)	(377,670)	(236,151)	(714,149)
Foreign currency losses (gains)	2,258	(18,814)	3,192	83,444
Interest expense	14,655	43,097	26,648	64,808
Other expenses	53,929	26,345	9,378	164,214
Loss before income taxes	(166,550)	(428,298)	(275,369)	(1,026,615)
Income tax expense (recovery) (Note 9)	-	-	-	-
Net loss and comprehensive loss for the period	(166,550)	(428,298)	(275,369)	(1,026,615)
Weighted average number of common shares outstanding				
Basic and diluted	8,040,000	8,010,411	8,000,000	8,000,000
Loss Per Share – Basic and diluted	(0.02)	(0.05)	(0.03)	(0.13)

The accompanying notes are an integral part of these financial statements

Wishpond Technologies Ltd.
Statements of Financial Position
(Expressed in Canadian Dollars)

	As at June 30, 2020 (unaudited)	As at December 31, 2019 (audited)	As at December 31, 2018 (unaudited)
	$	$	$
Assets			
Current			
Cash	848,144	269,536	148,270
Accounts and other receivables (Note 5)	101,678	164,289	175,129
Prepaid expenses	81,288	2,088	1,902
Investment tax credit recoverable (Note 9)	114,999	329,362	342,068
Total current assets	1,146,109	765,275	667,369
Property and equipment (Note 7)	386,126	515,613	780,168
Intangible assets (Note 8)	764,206	760,490	695,496
Other assets (Note 15)	64,462	64,462	61,392
Total assets	2,360,903	2,105,840	2,204,425
Liabilities and shareholders' deficiency			
Liabilities			
Current			
Accounts payable and accrued liabilities (Note 6)	475,628	344,598	160,509
Contract liability	1,628,422	1,278,106	1,256,432
Loan payable to employee (Note 11)	-	50,000	50,000
Current portion of lease liability (Note 15)	221,248	282,649	279,765
Due to shareholders (Note 11)	4,508,845	4,497,969	4,308,411
Other payables	149,695	145,444	81,178
Total current liabilities	6,983,838	6,598,766	6,136,295
Lease liability (Note 15)	261,989	267,041	524,104
Long-term debt (Note 12)	56,550	56,550	-
Total liabilities	7,302,377	6,922,357	6,660,399
Shareholders' deficiency			
Share capital (Note 10)	2,600	2,600	600
Deficit	(5,355,776)	(5,189,226)	(4,760,928)
Contributed surplus	411,702	370,109	304,354
Total shareholders' deficiency	(4,941,474)	(4,816,517)	(4,455,974)
Total shareholders' deficiency and liabilities	2,360,903	2,105,840	2,204,425

Nature of operations, and going concern (Note 1)
Events after the reporting period (Note 17)

Approved by the Directors:

Wishpond Technologies Ltd.
Statements of Changes in Shareholders' Deficiency
(Expressed in Canadian Dollars)

	Number of shares	Share capital	Deficit	Contributed surplus	Total shareholders' deficiency
	#	$	$	$	$
Balance at January 1, 2018 (unaudited)	8,000,000	600	(3,734,313)	257,614	(3,476,099)
Stock based compensation	-	-	-	70,580	70,580
Stock options repurchased	-	-	-	(23,840)	(23,840)
Net loss and comprehensive loss for the year	-	-	(1,026,615)	-	(1,026,615)
Balance at December 31, 2018 (unaudited)	8,000,000	600	(4,760,928)	304,354	(4,455,974)
Stock based compensation	-	-	-	93,544	93,544
Stock options exercised	40,000	2,000	-	-	2,000
Stock options repurchased	-	-	-	(27,789)	(27,789)
Net loss and comprehensive loss for the year	-	-	(428,298)	-	(428,298)
Balance at December 31, 2019	8,040,000	2,600	(5,189,226)	370,109	(4,816,517)
Stock based compensation	-	-	-	59,483	59,483
Stock options repurchased	-	-	-	(17,890)	(17,890)
Net loss and comprehensive loss for the period	-	-	(166,550)	-	(166,550)
Balance at June 30, 2020 (unaudited)	8,040,000	2,600	(5,355,776)	411,702	(4,941,474)

The accompanying notes are an integral part of these financial statements

Wishpond Technologies Ltd.
Statements of Cash Flows
(Expressed in Canadian Dollars)

	For the six months Ended June 30, 2020 (unaudited)	For the twelve months ended December 31, 2019 (audited)	For the six months Ended June 30, 2019 (unaudited)	For the twelve months ended December 31, 2018 (unaudited)
	$	$	$	$
Cash flows provided by (used in)				
Operating activities				
Cash receipt from customers	3,802,134	5,923,325	2,774,582	4,374,687
Cash paid to vendors and employees	(3,210,419)	(5,834,719)	(2,964,480)	(4,758,013)
Cash paid for bank service fees	(10,063)	(12,204)	(7,559)	(8,303)
Proceeds from investment tax credits	329,363	342,068	342,068	322,274
Realised foreign currency gains (losses)	26,790	610	(3,279)	(9,435)
Net cash generated by operating activities	937,805	419,080	141,332	(78,790)
Investing activities				
Additions to intangible assets	(180,252)	(188,042)	(94,021)	(199,684)
Net cash used in investing activities	(180,252)	(188,042)	(94,021)	(199,684)
Financing activities				
Exercise and (repurchase) of employee stock options	(17,890)	(25,789)	7,920	(23,840)
Proceeds (repayment of) from shareholder loans	(17,975)	189,558	115,000	678,000
Interest	(14,320)	(42,638)	(26,648)	(64,808)
Proceeds from (repayment of) debt financing	(50,000)	56,550	-	500
Lease liability	(78,760)	(287,453)	(142,551)	(271,044)
Net cash provided by (used in) financing activities	(178,945)	(109,772)	(46,279)	318,808
Net increase in cash	578,608	121,266	1,032	40,334
Cash - beginning of period	269,536	148,270	148,270	107,936
Cash - end of period	848,144	269,536	149,302	148,270

The accompanying notes are an integral part of these financial statements

1. Nature of operations, going concern

Wishpond Technologies Ltd. (“Wishpond” or “the Company”) was incorporated under the Business Corporations Act of British Columbia on February 21, 2007. Effective May 29, 2009, the Company’s principal business is the provision of technological digital marketing solutions for businesses. The Company is currently privately held, however, subsequent to December 31, 2019, the Company entered into a binding merger agreement to enter into a reverse take-over (“RTO”) transaction with a Capital Pool Company (“CPC”) in order to effect a public listing on the Toronto Venture Exchange. Refer to Note 17 for further information on the proposed RTO transaction.

The Company's head office is located at Suite 1000 - 1500 West Georgia St., Vancouver, BC, V6G 2Z6.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for the foreseeable future. As at December 31, 2019, the Company had not yet achieved profitable operations, had an accumulated deficit since inception of $5,189,226, had a negative net working capital balance of $5,833,491, and expects to incur further losses in the development of its business, all of which indicate the existence of a material uncertainties that may cast significant doubt upon the Company’s ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Moreover, as at June 30, 2020, the Company had not yet achieved profitable operations, had an accumulated deficit since inception of $5,355,776 and a negative net working capital balance of $5,837,729.

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

The Company’s Board of Directors approved these financial statements on October 8, 2020.

2. Basis of presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

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

3. Significant accounting policies

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

a) Basis of measurement

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

b) Foreign currency translation

Functional and presentation currency:

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

Wishpond's financial statements are presented in Canadian dollars.

Transactions and balances:

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions (or using the average rate for the period when this is a reasonable approximation). Foreign exchange gains and losses resulting from the translation or settlement of monetary assets and liabilities denominated in currencies other than an entity's functional currency are recognised in the statements of loss and comprehensive loss.

c) Cash

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

d) Financial instruments

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

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

Measurement of financial instruments:

i) Financial instruments at amortized cost:

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

These instruments are measured at amortized cost subsequent to initial recognition using the effective interest method. This method uses an effective interest rate that discounts estimated future cash receipts (or payments) through the expected life of the financial instrument, if any. Interest income (and expense) and impairment losses are recognized through profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

ii) Financial assets at FVTPL:

All other financial instruments are measured at FVTPL.

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

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

Classification of financial instruments:

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

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

Fair value hierarchy:

The Company classifies its fair value measurements using a fair value hierarchy that reflects the significance of inputs used in making the measurements. IFRS establishes a fair value hierarchy based on the level of independent and objective evidence surrounding the inputs used to measure fair value.

Fair value determination is classified within a three-level hierarchy, based on observability of significant inputs, as follows:

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

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

Impairment:

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

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

Derecognition:

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

e) Stock-based compensation

The Company has an incentive share option plan as described in Note 10. The fair value of share options is measured at the grant date and each tranche is recognised on a graded vesting basis over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model ("BSM") taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognised as an expense is adjusted to reflect the actual number of share options that are expected to vest.

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

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

f) Revenue recognition

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

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

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

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

Revenues generated by the Company include the following:

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

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

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

g) Contract liability

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

h) Income taxes

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

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

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

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

Deferred tax assets and liabilities are only offset when the Company has the right and intention to offset current tax assets and liabilities from the same taxation authority. Changes in deferred tax assets and liabilities are recognised as a component of income or expense in net earnings or loss, except where they relate to items that are recognised in other comprehensive income or loss, or equity.

i) Share capital

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

j) Research and development

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

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

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

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

k) Research tax credits

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

l) Leases

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

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

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

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

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

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

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

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

m) Impairment

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

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

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

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

n) Loss per share

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

4. Critical accounting estimates and judgments

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

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

(Expressed in Canadian Dollars)

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

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

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

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

5. Accounts and other receivables

	June 30, 2020 (unaudited) $	December 31, 2019 (audited) $	December 31, 2018 (unaudited) $
Accounts receivable	74,574	164,289	175,129
Other receivables	27,104	-	-
Accounts and other receivables	101,678	164,289	175,129

6. Accounts payable and accrued liabilities

	June 30, 2020 (unaudited) $	December 31, 2019 (audited) $	December 31, 2018 (unaudited) $
Trade	243,871	209,734	99,050
Sales Tax Payable	231,757	134,864	61,459
Accounts payable and accrued liabilities	475,628	344,598	160,509

(Expressed in Canadian Dollars)

7. Property and equipment

	Computer equipment	Furniture and fixtures	Right-of-use assets	Total
	$	$	$	$
Cost				
As at January 1, 2018 (unaudited)	68,907	35,899	1,287,107	1,391,913
As at December 31, 2018 (unaudited)	68,907	35,899	1,287,107	1,391,913
As at December 31, 2019	68,907	35,899	1,287,107	1,391,913
As at June 30, 2020 (unaudited)	68,907	35,899	1,287,107	1,391,913

	Computer equipment	Furniture and fixtures	Right-of-use assets	Total
Depreciation				
Balance at January 1, 2018 (unaudited)	65,416	24,353	257,421	347,190
Depreciation charge for the year	1,358	5,773	257,424	264,555
As at December 31, 2018 (unaudited)	66,774	30,126	514,845	611,745
Depreciation charge for the year	1,358	5,773	257,424	264,555
As at December 31, 2019 (audited)	68,132	35,899	772,269	876,300
Depreciation charge for the year	775	-	128,712	129,487
As at June 30, 2020 (unaudited)	68,907	35,899	900,981	1,005,012

	Computer equipment	Furniture and fixtures	Right-of-use assets	Total
Net Book Value				
As at December 31, 2018 (unaudited)	2,133	5,773	772,262	780,168
As at December 31, 2019	775	-	514,838	515,613
As at June 30, 2020 (unaudited)	-	-	386,126	386,126

(Expressed in Canadian Dollars)

8. Intangible assets

	Deferred development costs $
Cost	
Balance at January 1, 2018 (unaudited)	842,755
Additions (unaudited)	199,684
Balance at December 31, 2018 (unaudited)	1,042,439
Additions (audited)	188,042
Balance at December 31, 2019	1,230,481
Additions	65,252
Balance at June 30, 2020 (unaudited)	1,295,733
Amortization	
Balance at January 1, 2018 (unaudited)	242,699
Amortization charge for the year	104,244
As at December 31, 2018 (unaudited)	346,943
Amortization charge for the year	123,048
As at December 31, 2019	469,991
Amortization charge for the period	61,536
As at June 30, 2020 (unaudited)	531,527

Net Book Value	
As at January 1, 2018 (unaudited)	600,056
As at December 31, 2018 (unaudited)	695,496
As at December 31, 2019	760,490
As at June 30, 2020 (unaudited)	764,206

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

(Expressed in Canadian Dollars)

9. Income tax

The tax expense differs from the theoretical amount that would arise using the tax rate applicable to profits of the Company for the years ended December 31, 2019 and December 31, 2018 are as follows:

	December 31, 2019 (audited) $	December 31, 2018 (unaudited) $
Loss for the period before income tax recovery	(428,298)	(1,026,615)
Average statutory rate	27%	27%
Recovery of income taxes based on statutory rates	(115,640)	(277,186)
Increase in income taxes recoverable resulting from:		
Permanent differences	32,803	28,410
Change in non-recognized deferred tax assets	82,837	248,776
Income tax recovery	-	-

Deferred income tax assets are recorded to the extent that the realization of the related tax benefit is probable based on estimated future earnings. Deferred income tax assets have not been recognized with respect to the following deductible temporary differences:

	December 31, 2019 (audited) $	December 31, 2018 (unaudited) $
Deferred tax assets		
Losses carried forward	3,053,212	3,093,786
Total unrecognized temporary deductible differences	3,053,212	3,093,786

The Company has non-capital losses of approximately $3.053 million (2018 - $3.093 million) which are available to reduce future year's taxable income. The non-capital losses will commence to expire in 2030 if not utilized.

The significant components of the Company's deferred income tax asset/(liabilities) are comprised of the following:

	As of December 31, 2018 $	Recovery/(expense) through earnings $	As of December 31, 2019 $
Property and equipment	43,444	1,925	45,369
Intangible assets	(187,784)	(17,548)	(205,332)
Other	8,534	876	9,410
Non-capital losses	213,648	11,923	225,571
Income tax credits	(77,842)	2,824	(75,018)
Total	-	-	-

(Expressed in Canadian Dollars)

10. Share capital

a) Authorised

Unlimited common shares without par value.

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

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

b) Issued Common Shares

As at June 30, 2020, the issued share capital comprises 8,040,000 (unaudited) (December 31, 2019 - 8,040,000; December 31, 2018 - 8,000,000(unaudited)).

c) Options to purchase class BB non-voting shares

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

d) Movement in share options

The changes in share options during the 12 months ended December 31, 2019 and 12 months ended December 31, 2018 were as follows:

	December 31, 2019		December 31, 2018 (unaudited)	
	Number of options	Weighted average exercise price $	Number of options	Weighted average exercise price $
Balance outstanding, beginning of year	1,708,000	0.16	1,524,000	0.07
Options granted	74,000	0.39	244,000	0.81
Exercised	(40,000)	0.05	-	-
Forfeited/Expired	(96,000)	0.28	(44,000)	0.09
Repurchased	(8,000)	0.01	(16,000)	0.01
Balance outstanding, end of year	1,638,000	0.17	1,708,000	0.16

(Expressed in Canadian Dollars)

During the 12 months ended December 31, 2019, the Company recognised $93,544 of stock-based compensation expense through the statement of loss. During the 12 months ended December 31, 2018, the Company recognised $70,580 of stock-based compensation expense through the statement of loss (unaudited).

	June 30, 2020 (unaudited)	
	Number of options	Weighted average exercise price $
Balance outstanding, beginning of year	1,638,000	0.17
Options granted	61,000	0.27
Forfeited/Expired	(13,000)	1.32
Repurchased	(3,000)	0.36
Balance outstanding, end of period	1,683,000	0.16

During the 6 months ended June 30, 2020, the Company recognised $59,483 of stock-based compensation expense through the statement of loss (unaudited). During the 6 months ended June 30, 2019, the Company recognised $51,644 of stock-based compensation expense through the statement of loss (unaudited).

e) Fair value of share options granted

During the 6 months ended June 30, 2020, the Company granted the following options (unaudited):

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

During the 12 months ended December 31, 2019, the Company granted the following options:

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

(Expressed in Canadian Dollars)

During the 12 months ended December 31, 2018, the Company granted the following options (unaudited):

Grant Date	Number of Options granted	Exercise price	Vesting Period (in years)	Expiry Date
February 2, 2018	64,000	$1.54	5.0	February 2, 2023
February 2, 2018	16,000	$0.05	5.0	February 2, 2023
April 1, 2018	40,000	$1.54	5.0	April 1, 2023
August 24, 2018	24,000	$0.05	0.0	August 24, 2022
September 1, 2018	8,000	$0.42	0.0	September 1, 2023
November 20, 2018	40,000	$0.25	5.0	November 20, 2023
December 1, 2018	40,000	$0.10	5.0	December 1, 2023
July 1, 2018	12,000	$0.05	0.0	July 1, 2023

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

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

The fair value of each option granted for the twelve months ended December 31, 2019 was estimated at the time of grant using the BSM with the following significant inputs:

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

(Expressed in Canadian Dollars)

The fair value of each option granted for the twelve months ended December 31, 2018 was estimated at the time of grant using the BSM with the following significant inputs (unaudited):

	Low	High
Exercise price	$1.54	$0.05
Share price	$0.38	$0.84
Risk-free interest rate	2.03%	2.02%
Expected term	5	5
Volatility	70%	68%
Expected dividend	$0	$0
Grant date fair value	$0.11	$0.80

f) Share options outstanding at the end of the period

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

Period ended	Options outstanding	Options exercisable	Weighted average exercise price	Avg. exercise price of vested options	Avg. remaining contractual length (years)
June 30, 2020 (unaudited)	1,683,000	1,508,672	$0.16	$0.10	1.59
Dec 31, 2019	1,638,000	1,491,384	$0.17	$0.10	1.99
Dec 31, 2018 (unaudited)	1,708,000	1,499,386	$0.16	$0.08	2.70

(Expressed in Canadian Dollars)

11. Related party transactions

Key management compensation

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

	For the six months ended June 30, 2020 (unaudited)	For the twelve months ended December 31, 2019 (audited)	For the six months ended June 30, 2019 (unaudited)	For the twelve months ended December 31, 2018 (unaudited)
	$	$	$	$
Salaries, wages, benefits	406,793	645,631	287,186	403,276
Stock-based compensation expense	35,040	57,422	18,168	66,731
	441,833	703,053	305,354	470,007

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

As at June 30, 2020, a total of $4,508,845 (unaudited) in loans payable is due to a shareholder (December 31 2019 - $4,497,969; December 31, 2018 - $4,308,411(unaudited)). Included in the loans payable to a shareholder is a loan in the amount of $450,800 USD (December 31, 2019 - $450,800 USD, December 31, 2018 - $450,800 USD). The loans due to the shareholder are non-interest bearing, unsecured and have no specified repayment terms.

The transaction amount of the shareholder loan approximates its carrying amount due to the lack of interest and repayment terms associated with the loan. Refer to Note 17 - Subsequent events, for details on Wishpond's agreement to convert the shareholder loan to common shares upon completion of the RTO transaction.

12. Debt

Short-term debt:

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

Long-term debt:

On December 2, 2019, Wishpond entered into a loan with the Business Development Bank of Canada ("BDC") for $56,550. As at December 31, 2019 and June 30, 2020 a total of $56,550 is due to BDC. The loan is unsecured and subject to a floating interest base rate plus a variance of 1.00% per year. The interest is calculated monthly from the date of disbursement. The repayment of the principal is to be done in one (1) initial installment of $1,040 and 59 monthly installments of $940. In addition, interest is payable monthly. The balance of the loan in principal and interest including all other amounts owing, shall become due and payable on October 31, 2025.

13. Capital management

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

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

14. Financial Instruments

a. Classification of financial instruments

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

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

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

b. Risk management

Credit risk

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

(Expressed in Canadian Dollars)

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

Liquidity risk

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

As at June 30, 2020, the maturity analysis of financial liabilities represented the following (unaudited):

	< 1 Year	2 to 3 Years	4 to 5 Years	> 5 Years	Total
	$	$	$	$	$
A/P and accrued liabilities	475,628	-	-	-	475,628
Lease liability	221,248	261,989			483,237
Bank indebtedness	8,311	-	-	-	8,311
Due to BDC	7,670	22,560	22,560	3,760	56,550
Amounts due to shareholders	4,508,845	-	-	-	4,508,845
Total	5,221,702	284,549	22,560	3,760	5,532,571

As at December 31, 2019, the maturity analysis of financial liabilities represented the following (audited):

	< 1 Year	2 to 3 Years	4 to 5 Years	> 5 Years	Total
	$	$	$	$	$
A/P and accrued liabilities	344,598	-	-	-	344,598
Lease liability	282,649	267,041			549,690
Bank indebtedness	72,098	-	-	-	72,098
Due to BDC	2,030	22,560	22,560	9,400	56,550
Loan payable to employee	50,000	-	-	-	50,000
Amounts due to shareholders	4,497,969	-	-	-	4,497,969
Total	5,249,344	289,601	22,560	9,400	5,570,905

Interest rate risk

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

Foreign currency risk

The Company's functional currency is the Canadian Dollar. As a significant portion of the Company's sales are to customers located in the United States and are thus incurred in US Dollars, the Company's exposure to foreign currency risk is moderate.

The following table provides a summary of the Company's exposure to the United States Dollar, expressed in Canadian Dollars:

As at June 30, 2020, financial instruments were converted at a rate of US$1.00 to CAD$1.3585. Balances denominated in foreign currencies as at June 30, 2020 were as follows (unaudited):

	In USD	Converted to CAD
	$	$
Cash	507,722	689,726
Accounts and other receivables	70,356	95,577
Accounts payable and accrued liabilities	60,351	81,985
Due to shareholder	450,800	612,398
Bank indebtedness/borrowing	1,453	1,947

Based on the Company's foreign currency exposure noted above, a 5% appreciation of the USD would have a negative impact on profit of CAD$70,367 as at June 30, 2020 assuming all other variables remained constant.

A 5% depreciation of the USD would have an equal but opposite effect on the profit, assuming all other variables remained constant.

As at December 2019, financial instruments were converted at a rate of US$1.00 to CAD$1.2988. Balances denominated in foreign currencies as at December 31, 2019 were as follows (audited):

	In USD	Converted to CAD
	$	$
Cash	110,468	143,475
Accounts and other receivables	118,903	154,432
Accounts payable and accrued liabilities	60,219	78,212
Due to shareholder	450,800	585,499
Bank indebtedness/borrowing	44,087	57,261

(Expressed in Canadian Dollars)

Based on the Company's foreign currency exposure noted above, a 5% appreciation of the USD would have a negative impact on profit of CAD$43,065 as at December 31, 2019 assuming all other variables remained constant.

A 5% depreciation of the USD would have an equal but opposite effect on the profit, assuming all other variables remained constant.

In March 2020, Wishpond began managing its foreign currency risk through the use of monthly foreign exchange contracts which allow Wishpond to exchange US Dollars to Canadian Dollars at a preferred rate of US$1.00 to CAD$1.39. The contracts are issued on a monthly basis, and as at June 30, 2020, Wishpond had a hedged amount outstanding of $150,000 USD.

15. Lease liability

The Company has a lease contract for an office space, located at 1500 West Georgia Street, Vancouver B.C. The remaining lease term at June 30, 2020 was 1.5 years.

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

	December 31, 2019 (audited)	December 31, 2018 (unaudited)
	$	$
As at January 1	803,869	1,029,686
Accretion of interest	33,274	45,227
Payments	(287,453)	(271,044)
As at December 31	549,690	803,869
Current	282,649	279,765
Non-current	267,041	524,104

	June 30, 2020 (unaudited)
	$
As at January 1	549,690
Accretion of interest	12,307
Payments	(78,760)
As at June 30	483,237
Current	221,248
Non-current	261,989

(Expressed in Canadian Dollars)

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

	6 months ended June 30, 2020 (unaudited)	12 months ended December 31, 2019 (audited)	6 months Ended June 30, 2019 (unaudited)	12 months ended December 31, 2018 (unaudited)
	$	$	$	$
Depreciation expense of right-of-use assets	128,712	257,424	128,712	257,424
Interest expense on lease liabilities	12,307	33,274	18,234	45,227
	141,019	290,698	146,946	302,651

Lease deposits:

The Company has $64,462 of lease deposits recoverable from landlords as at June 30, 2020, December 31, 2019, and December 31, 2018, all of which has been included in other assets.

16. Geographic Information

The Company's assets are primarily located in Canada.

Geographic sales based on customer location are detailed as follows:

	For the six months ended June 30, 2020 (unaudited)	For the twelve months ended December 31, 2019 (audited)	For the six months ended June 30, 2019 (unaudited)	For the twelve months ended December 31, 2018 (unaudited)
	$	$	$	$
United States	2,278,495	4,293,508	1,960,855	2,917,922
Canada	472,343	855,686	365,070	543,256
Other	737,176	901,109	568,913	846,592
Total	3,488,014	6,050,303	2,894,838	4,307,770

17. Subsequent Events

Impact of COVID-19: The global outbreak of COVID-19 has created significant uncertainties in the business community as a result of restrictions put in place by governments around the world regarding travel, business operations, and isolation orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company going forward as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

Merger Agreement signed with Antera Ventures I Corp: On September 10, 2020, Wishpond announced that it had entered into a binding merger agreement with Antera Ventures I Corp. (“Antera”) in respect of completion an arm's length reverse-takeover transaction of Wishpond by Antera (the "Proposed Transaction"), which will constitute the completion of Antera's Qualifying Transaction (as such term is defined in Policy 2.4 – *Capital Pool Companies* of Corporate Finance Manual of the TSX Venture Exchange (“the Exchange”)). Subject to satisfaction or waiver of the conditions precedent referred to in the Merger Agreement, Antera and Wishpond anticipate that the Proposed Transaction will be completed no later than February 28, 2021.

The Proposed Transaction will result in Antera acquiring all of the issued and outstanding securities of Wishpond in exchange for the issuance of securities of Antera, which will result in Wishpond becoming a wholly-owned subsidiary of Antera; the existing shareholders of Wishpond will own a majority of the outstanding Antera common shares (after completion of the Proposed Transaction and Antera will be renamed "Wishpond Technologies Ltd." (the "Resulting Issuer") or such other name as Wishpond may determine. Upon completion of the Proposed Transaction, it is anticipated that the Resulting Issuer will be a tier 2 technology issuer listed on the Exchange.

The Proposed Transaction is contemplated as an amalgamation under the Business Corporations Act (British Columbia) between 1264881 B.C. Ltd., a wholly-owned subsidiary of Antera, and Wishpond, and will constitute an arm's length Qualifying Transaction pursuant to the policies of the Exchange.

The completion of the Proposed Transaction is subject to the satisfaction of various conditions that are customary for a transaction of this nature, including but not limited to: (i) the completion of a concurrent brokered financing for gross proceeds of a minimum of $4,000,000 and a maximum of $4,666,666 Wishpond Subscription Receipts pursuant to the Agency Agreement; (ii) the approval by the directors of Antera and Wishpond of the Proposed Transaction; (iii) approval of the merger by the shareholders of Antera; and (iv) the receipt of all requisite regulatory, stock exchange, or governmental authorizations and consents, including the Exchange. Wishpond intends to use the net proceeds from the private placement for sales growth, product development, strategic acquisitions and general corporate purposes.

In connection with the concurrent brokered financing, the agents involved in the financing will be paid a cash commission equal to 8% of the gross proceeds raised under the Private Placement (the "Cash Fee”). In addition, the agents are to be issued such number of share purchase warrants (the "Agents' Warrants") as is equal to 8% of the number of Subscription Receipts sold under the concurrent brokered financing (with the exception of investors identified on a president's list in which the Cash Fee and number of Agents' Warrants shall be reduced to 3% for the respective subscriptions). Management estimates that 474,000 Agent Warrants will be issued in this regard. Each Agents' Warrant will entitle the holder to acquire a Resulting Issuer share at the Issue Price for a period of twenty–four months following the completion of the Proposed Transaction.

As consideration for the acquisition of all of the outstanding securities of Wishpond, holders of the issued and outstanding common shares of Wishpond and Class BB non-voting participating shares of Wishpond will receive approximately 3.243993 post-Consolidation (as defined herein) Antera Common Shares for each one (1) Wishpond Share held.

In connection with the transaction, on September 10, 2020, Wishpond issued a convertible debenture of with a face value of $150,000, convertible into 88,075 Wishpond Common Shares concurrent with the closing of the Proposed Transaction, which will be exchanged into approximately 285,714 Resulting Issuer Shares.

In September 2020, Wishpond employees exercised 1,529,167 employee stock options, and were issued Wishpond Class BB Common Shares. Wishpond received $155,542 in consideration upon exercise. Furthermore, 23,333 in Wishpond stock options were cancelled subsequent to June 30, 2020.

Subject to the Proposed Transaction, Wishpond entered into a debt conversion agreement to convert the shareholder loan in the amount of $4,508,845 into 1,851,205 Wishpond common shares, which will be exchanged into approximately 6,005,300 Resulting Issuer Shares.