

# **Good2GoRTO Corp.**

(A Capital Pool Corporation)

## **Consolidated Financial Statements**

**For the Year Ended December 31, 2021  
and  
For the Period from the Date of Incorporation (December 31, 2020) to December 31, 2020**

**(Expressed in Canadian Dollars)**



## Independent Auditor's Report

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To the Shareholders of Good2GoRTO Corp.:

### Opinion

We have audited the consolidated financial statements of Good2Go2 Corp. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2021 and December 31, 2020, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the year ended December 31, 2021 and for the period from December 31, 2020 (date of incorporation) to December 31, 2020, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2021 and December 2020, and its consolidated financial performance and its consolidated cash flows for the year ended December 31, 2021 and for the period from December 31, 2020 to December 31, 2020 in accordance with International Financial Reporting Standards

### Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated 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 Management's Discussion and Analysis.

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

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, 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 and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated 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 Corporation's financial reporting process.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated 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 audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

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 Pierrette Dosanjh.

*MNP* LLP

Toronto, Ontario  
March 31, 2022

Chartered Professional Accountants  
Licensed Public Accountants

**MNP**

# Good2GoRTO Corp.

## Consolidated Statements of Financial Position

|   | As at<br>December 31, 2021 | As at<br>December 31, 2020 |
|---|----------------------------|----------------------------|
| <b>Assets</b>                                     |                            |                            |
| <b>Current assets</b>                             |                            |                            |
| Cash held in trust                                | \$ 148,753                 | \$ 170,000                 |
| <b>Total current assets</b>                       | <u>148,753</u>             | <u>170,000</u>             |
| <b>Total Assets</b>                               | <u>\$ 148,753</u>          | <u>\$ 170,000</u>          |
| <b>Liabilities and Shareholders' Equity</b>       |                            |                            |
| <b>Current liabilities</b>                        |                            |                            |
| Accrued liabilities                               | \$ 33,061                  | \$ 10,950                  |
| <b>Total current liabilities</b>                  | <u>33,061</u>              | <u>10,950</u>              |
| <b>Shareholders' equity</b>                       |                            |                            |
| Share capital (Note 4)                            | 330,301                    | 170,000                    |
| Common share purchase warrants (Note 4 b)         | 10,441                     | -                          |
| Common share purchase options (Note 4 c)          | 51,879                     | -                          |
| Deficit   | <u>(276,929)</u>           | <u>(10,950)</u>            |
| <b>Total shareholders' equity</b>                 | <u>115,692</u>             | <u>159,050</u>             |
| <b>Total Liabilities and Shareholders' Equity</b> | <u>\$ 148,753</u>          | <u>\$ 170,000</u>          |

Proposed Transaction (Note 7)

Related Party Transactions (Note 6)

The accompanying notes are an integral part of these consolidated financial statements

Approved by the Board of Directors

(signed) "James Cassina"

James Cassina, Director

(signed) "Sandra Hall"

Sandra Hall, Director

# Good2GoRTO Corp.

## Consolidated Statements of Loss and Comprehensive Loss

|   | For the Year Ended<br>December 31, 2021 | For the period from the<br>Date of Incorporation<br>(December 31, 2020) to<br>December 31, 2020 |
|---|---|---|
| <b>Expenses</b>   |   |   |
| Professional fees   | \$ 156,316                              | \$ 10,950   |
| Stock exchange fees   | 21,576                                  | -   |
| Filing fees   | 8,340                                   | -   |
| Shareholder information costs                                 | 9,571                                   | -   |
| General and office  | 93                                      | -   |
| Accounting and corporate secretarial                          | 12,204                                  | -   |
| Transfer agent fees   | 6,000                                   | -   |
| Stock based compensation (Note 4 c)                           | 51,879                                  | -   |
| <b>Total expenses</b>   | <u>265,979</u>                          | <u>10,950</u>   |
| <b>Net loss and other comprehensive loss</b>                  | <b>\$ (265,979)</b>                     | <b>\$ (10,950)</b>  |
| <b>Net loss per share, basic and diluted</b>                  | <b>\$ (0.05)</b>                        | <b>\$ -</b>   |
| <b>Weighted Average shares outstanding, basic and diluted</b> | <b>5,035,068</b>                        | <b>-</b>  |

The accompanying notes are an integral part of these consolidated financial statements

# Good2GoRTO Corp.

## Consolidated Statements of Changes in Shareholders' Equity

For the year ended December 31, 2021 and for the period from the date of incorporation (December 31, 2020) to December 21, 2020

|   | SHARE<br>CAPITAL<br>Number of<br>Common Shares | SHARE<br>CAPITAL<br>Common shares<br>\$ | COMMON SHARE<br>PURCHASE<br>WARRANTS<br>\$ | COMMON SHARE<br>PURCHASE<br>OPTIONS<br>\$ | DEFICIT<br>\$    | TOTAL<br>SHAREOLDERS'<br>EQUITY<br>\$ |
|---|--|---|--|---|------------------|---------------------------------------|
| Opening Balance, December 31, 2020      | -  | -                                       | -  | -   | -                | -                                     |
| Share subscriptions (Note 4 a)          | 3,400,000                                      | 170,000                                 | -  | -   | -                | 170,000                               |
| Net loss for the period                 | -  | -                                       | -  | -   | (10,950)         | (10,950)                              |
| Balance, December 31, 2020              | 3,400,000                                      | 170,000                                 | -  | -   | (10,950)         | 159,050                               |
| Share subscription (Note 4 a)           | 400,000  | 20,000                                  | -  | -   | -                | 20,000                                |
| Initial public offering (Note 4 a)      | 2,000,000                                      | 200,000                                 | -  | -   | -                | 200,000                               |
| Fair value of agent warrants (Note 4 b) | -  | (10,441)                                | 10,441                                     | -   | -                | -                                     |
| Offering costs                          | -  | (49,258)                                | -  | -   | -                | (49,258)                              |
| Stock based compensation (Note 4 c)     | -  | -                                       | -  | 51,879                                    | -                | 51,879                                |
| Net loss for the year                   | -  | -                                       | -  | -   | (265,979)        | (265,979)                             |
| <b>Balance, December 31, 2021</b>       | <b>5,800,000</b>                               | <b>330,301</b>                          | <b>10,441</b>                              | <b>51,879</b>                             | <b>(276,929)</b> | <b>115,692</b>                        |

The accompanying notes are an integral part of these consolidated financial statements

# Good2GoRTO Corp.

## Consolidated Statements of Cash Flows

|  | For the Year Ended<br>December 31, 2021 | For the period from the<br>Date of Incorporation<br>(December 31, 2020) to<br>December 31, 2020 |
|--|---|---|
| <b>Cash (used in) provided by</b>                      |   |   |
| <b>Operating activities</b>                            |   |   |
| Net loss for the year/period                           | \$ (265,979)                            | \$ (10,950)   |
| Item not involving cash:                               |   |   |
| Stock based compensation (Note 4 c)                    | 51,879                                  | -   |
| Working capital adjustment:                            |   |   |
| Change in accounts payable and accrued liabilities     | 22,111                                  | 10,950  |
| <b>Net cash used in operating activities</b>           | <b>(191,989)</b>                        | <b>-</b>  |
| <b>Financing activities</b>                            |   |   |
| Share subscription (Note 4 a)                          | 20,000                                  | 170,000   |
| Initial public offering (Note 4 a)                     | 200,000                                 | -   |
| Offering costs   | (49,258)                                | -   |
| <b>Net cash provided by financing activities</b>       | <b>170,742</b>                          | <b>170,000</b>  |
| <b>Increase (decrease) in cash for the year/period</b> | <b>(21,247)</b>                         | <b>170,000</b>  |
| <b>Cash, beginning of year/period</b>                  | <b>170,000</b>                          | <b>-</b>  |
| <b>Cash, end of year/period</b>                        | <b>\$ 148,753</b>                       | <b>\$ 170,000</b>   |

The accompanying notes are an integral part of these consolidated financial statements

# Good2GoRTO Corp.

## Notes to the Consolidated Financial Statements

For the Year ended December 31, 2021 and

For the Period from the Date of Incorporation (December 31, 2020) to December 31, 2020

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### 1. INCORPORATION AND NATURE OF OPERATIONS

Good2GoRTO Corp. was incorporated under the *Canada Business Corporations Act* on December 31, 2020 and registered in the Province of Ontario on December 31, 2020 (“G2GRTO” or the “Company”). The Company is a Capital Pool corporation, as defined in the Policy 2.4 of the TSX Venture Exchange (the “Exchange”). The principal business of the Company will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction (“QT”). The Company has not commenced operations and has no assets other than cash held in trust. The Company’s continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition, or business, or an interest therein. Such an acquisition will be subject to the approval of the regulatory authorities concerned and, in the case of a non-arm’s length transaction, of the majority of the minority shareholders.

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to \$3,000 per month may be used for reasonable general and administrative expenses of the Company. These restrictions apply until completion of a QT by the Company as defined under the policies of the Exchange Policy 2.4.

On October 21, 2021, the Company incorporated two wholly owned subsidiaries; 13448061 Canada Inc., a company incorporated under the *Canada Business Corporations Act*, and on October 25, 2021, the Company incorporated G2G Merger Sub, Inc., a Delaware, USA company, for the purposes of completing the Proposed Transaction.

The Company’s head office and registered office is located at 1 King Street West, Suite 1505, Toronto, Ontario, M5H 1A1. The Company’s common shares trade on the TSX Venture Exchange under the symbol GRTO.P. The Company’s public filings can be accessed and viewed via the System for Electronic Data Analysis and Retrieval (“SEDAR”) at [www.sedar.com](http://www.sedar.com).

On March 31, 2022, the Board of Directors of the Company approved the Financial Statements for the year ended December 31, 2021 and for the period from the Date of Incorporation (December 31, 2020) to December 31, 2020.

The global outbreak of COVID-19 (coronavirus) has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID19 outbreak may have on the Company 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. The Company does not believe that the effect of COVID-19 will have an impact on its operations.

### 2. BASIS OF PREPARATION

#### Statement of Compliance

These Financial Statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretation Committee (“IFRIC”). The policies applied in these Financial Statements are based on IFRS issued and outstanding as of December 31, 2021.



# Good2GoRTO Corp.

## Notes to the Financial Statements

For the Year ended December 31, 2021 and

For the Period from the Date of Incorporation (December 31, 2020) to December 31, 2020

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## 2. BASIS OF PREPARATION (cont'd)

### Use of Estimates and Judgments

The preparation of these financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

### Income Tax Estimates

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

### Basis of Measurement

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

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Basis of Consolidation

Control exists when the Company is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity. The financial statements of the subsidiaries are included in the Consolidated Financial Statements from the date that control commences until the date that control ceases. Intercompany balances and transactions, and any unrealized income and expenses arising from intercompany transactions, are eliminated in preparing the Consolidated Financial Statements. The Consolidated Financial Statements include the accounts of the Company, the legal parent, together with its wholly-owned subsidiaries, 13448061 Canada Inc., and G2G Merger Sub, Inc.

### Financial Instruments

#### Recognition

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

#### Classification

The Company classifies its financial assets and financial liabilities in the following measurement categories: i) those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss, and ii) those to be measured at amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows.

Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at fair value through profit or loss (irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income.

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

# Good2GoRTO Corp.

## Notes to the Financial Statements

For the Year ended December 31, 2021 and

For the Period from the Date of Incorporation (December 31, 2020) to December 31, 2020

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The Company has implemented the following classifications:

The Company has classified its financial instruments as follows:

| Financial Instrument                     | Classification        |
|--|-----------------------|
| Cash held in trust                       | Loans and receivables |
| Accounts payable and accrued liabilities | Other liabilities     |

#### **Measurement**

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

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

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

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

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

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

#### **Offering Costs**

Offering costs relate to expenditures incurred in connection with the Company's share offerings and are charged against share capital.

#### **Share-based Compensation**

Equity-settled share based payments for directors, officers, employees, and consultants are measured at fair value at the date of grant and recorded as compensation expense in the financial statements. Share options are measured at the fair value of each tranche on the grant date and are recognized in their respective vesting period using the Corporation's expected forfeiture rate. Any consideration paid by directors, officers, employees and consultants on exercise of equity-settled share based payments is credited to share capital. Shares are issued from treasury upon the exercise of equity-settled share-based instruments.

#### **Share Capital**

Common shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from equity.

# Good2GoRTO Corp.

## Notes to the Financial Statements

For the Year ended December 31, 2021 and

For the Period from the Date of Incorporation (December 31, 2020) to December 31, 2020

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Basic and Diluted Loss Per Share

Basic loss per common share is determined by dividing loss attributable to common shareholders by the weighted average number of common shares outstanding during the period.

Diluted loss per common share is calculated in accordance with the treasury stock method and is based on the weighted average number of common shares and dilutive common share equivalents outstanding.

#### Income Taxes

Income tax comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case the income tax is also recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to offset the amounts and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

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

### 4. SHARE CAPITAL

#### a) Common Shares

Authorized:

Unlimited common shares

Issued:

The following table sets out the changes in common shares during the period.

|                                   | Number of Common Shares | Amount \$      |
|-----------------------------------|-------------------------|----------------|
| December 31, 2020 (1)(2)          | 3,400,000               | 170,000        |
| Balance, December 31, 2020        | 3,400,000               | 170,000        |
| Share subscription (1)(2)         | 400,000                 | 20,000         |
| Initial public offering (3)       | 2,000,000               | 200,000        |
| Offering costs (3)                | -                       | (49,258)       |
| Fair value of agent warrants (3)  | -                       | (10,441)       |
| <b>Balance, December 31, 2021</b> | <b>5,800,000</b>        | <b>330,301</b> |

# Good2GoRTO Corp.

## Notes to the Financial Statements

For the Year ended December 31, 2021 and

For the Period from the Date of Incorporation (December 31, 2020) to December 31, 2020

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### 4. SHARE CAPITAL (cont'd)

#### (1) Share Subscriptions

During the period ended December 31, 2020, the Company issued 3,400,000 common shares for total proceeds of \$170,000

During the year ended December 31, 2021, the Company issued 400,000 common shares at \$0.05 per share for total proceeds of \$20,000.

#### (2) Escrowed Shares

The 3,800,000 common shares issued at \$0.05 per share, will be held in escrow pursuant to the requirements of the Exchange. All common shares issued to directors and officers prior to the completion of a Qualifying Transaction, must also be deposited in escrow pursuant to the requirements of the Exchange. 25% of the escrowed common shares will be released upon the issuance of the Final Exchange Bulletin (the "Bulletin"). Thereafter, 25% of the common shares will be released from escrow on each of 6 months, 12 months and 18 months following the issuance of the Bulletin.

All common shares of the Company acquired in the secondary market prior to the completion of a Qualifying Transaction by a Control Person, as defined in the policies of the Exchange, are required to be deposited in escrow. Subject to certain permitted exemptions, all securities of the Company held by principals of the resulting issuer will also be subject to escrow.

#### (3) Initial Public Offering

On May 17, 2021, the Company completed its initial public offering (the "Offering") of 2,000,000 common shares at a purchase price of \$0.10 per common share for gross proceeds of \$200,000. During the year ended December 31, 2021, the Company incurred costs of \$49,258 directly related to the Offering.

Haywood Securities Inc., (the "Agent") acted as the agent for the Offering. In connection with the Offering, the Company granted to the Agent, common share purchase warrants to acquire 200,000 common shares (the "Warrants"). Each Warrant is exercisable to acquire one common share at a price of \$0.10 until May 17, 2023. The estimated fair value attributed to the Warrants was \$10,441. In connection with the Offering, the Agent was paid a cash commission equal to 10% of the aggregate gross proceeds from the sale of the common shares. The Company also paid a corporate finance fee of \$12,500 to the Agent and reimbursed the Agent for legal fees and other reasonable expenses incurred pursuant to the Offering.

#### Weighted Average Shares Outstanding

The following table summarizes the weighted average shares outstanding:

|  | <u>December 31, 2021</u> | <u>December 31, 2020</u> |
|--|--------------------------|--------------------------|
| Weighted Average Shares Outstanding, basic and diluted | 5,035,068                | -                        |

The effects of any potential dilutive instruments on loss per share are anti-dilutive and therefore have been excluded from the calculation of diluted loss per share.

# Good2GoRTO Corp.

## Notes to the Financial Statements

For the Year ended December 31, 2021 and

For the Period from the Date of Incorporation (December 31, 2020) to December 31, 2020

### 4. SHARE CAPITAL (cont'd)

#### b) Common Share Purchase Warrants

The following table sets out the changes in warrants for the years set out:

| Warrants                          | Number of Warrants | Weighted Average Price \$ |
|-----------------------------------|--------------------|---------------------------|
| Outstanding, December 31, 2020    | -                  | -                         |
| Warrants issued                   | 200,000            | 0.10                      |
| <b>Balance, December 31, 2021</b> | <b>200,000</b>     | <b>\$0.10</b>             |

In connection with the Offering, the Company granted to the Agent warrants to acquire 200,000 common shares (the "Warrants"). Each Warrant is exercisable to acquire one common share at a price of \$0.10 until May 17, 2023. The fair value of the Warrants were estimated on the date of the issue using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, discount rate 0.33 %, expected volatility 100% and expected life of 2 years. The fair value attributed to the 200,000 Warrants was \$10,441.

The following table summarizes the outstanding warrants as at December 31, 2021:

| Number of Warrants | Exercise Price | Expiry Date  | Weighted Average Remaining Life (Years) | Warrant Value (\$) |
|--------------------|----------------|--------------|---|--------------------|
| 200,000            | \$0.10         | May 17, 2023 | 1.38                                    | 10,441             |

#### c) Common Share Purchase Options

The Company has a stock option plan to provide incentives for directors, officers, employees and consultants of the Company. Options may be granted for a maximum term of ten years from the date of the grant. They are non-transferable and are exercisable as determined by the Directors when the option is granted. Options expire within 12 months after completion of a qualifying transaction or within 90 days of termination of employment or holding office as director or officer of the Company and, in the case of death, expire within a maximum period of one year after such death, subject to the expiry date of the option. The stock option plan is subject to regulatory approval. Any shares issued upon exercise of the options prior to the Company entering into a Qualifying Transaction will be subject to escrow restrictions.

Upon closing of the Offering, the Company granted 580,000 common share purchase options to directors and officers. Each common share purchase option entitles the holder to acquire one common share of the Company at an exercise price of \$0.10 until May 17, 2031 (the "Options"). The fair value of the Options were estimated on the date of the issue using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, discount rate 1.57%, expected volatility 100%, forfeiture rate 0% and expected life of 10 years. The Company recorded the estimated fair value of the Options of \$51,879 as non-cash stock-based compensation expense.

The following table is a summary of the status of the Company's stock options and changes during the years set out:

|                                   | Number of Options | Weighted Average Exercise Price \$ |
|-----------------------------------|-------------------|------------------------------------|
| Balance, December 31, 2020        | -                 | -                                  |
| Granted                           | 580,000           | 0.10                               |
| <b>Balance, December 31, 2021</b> | <b>580,000</b>    | <b>0.10</b>                        |

# Good2GoRTO Corp.

## Notes to the Financial Statements

For the Year ended December 31, 2021 and

For the Period from the Date of Incorporation (December 31, 2020) to December 31, 2020

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### 4. SHARE CAPITAL (cont'd)

#### Common Share Purchase Options (cont'd)

The following table is a summary of the Company's stock options outstanding and exercisable as at December 31, 2021:

| Exercise Price | Number of Options | Options Outstanding                     |              |                   | Options Exercisable                |  |
|----------------|-------------------|---|--------------|-------------------|------------------------------------|--|
|                |                   | Weighted Average Remaining Life (Years) | Expiry Date  | Number of Options | Weighted Average Exercise Price \$ |  |
| \$0.10         | 580,000           | 9.38                                    | May 17, 2031 | 580,000           | 0.10                               |  |

### 5. 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 the shareholders and benefits for other stakeholders. The Company includes equity, comprised of share capital and deficit, 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 proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to \$3,000 per month may be used for reasonable general and administrative expenses of the Corporation. These restrictions apply until completion of a QT by the Corporation as defined under the policies of the Exchange Policy 2.4.

#### Risk Disclosures and Fair Values

The Company's financial instruments, consisting of cash held in trust and accounts payable and accrued liabilities, approximate fair value 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.

### 6. RELATED PARTY TRANSACTIONS

Commencing April 1, 2021, the Company paid accounting and corporate secretarial fees at a rate of \$1,200 per month, net of HST to a director of the Company. Included in accounts payable and accrued liabilities at December 31, 2021 was Nil.

# Good2GoRTO Corp.

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### 7. PROPOSED TRANSACTION

On November 2, 2021, as amended February 1, 2022, FRX Polymers, Inc. ("FRX"), FRX Polymer (Canada) Inc. ("Finco"), a wholly-owned Canadian subsidiary of FRX, G2GRTO, 13448061 Canada Inc. ("PubCo Sub") and G2GRTO Merger Sub, Inc. ("Merger Sub") both wholly-owned subsidiaries of the Company, entered into a business combination agreement (the "Agreement"). The proposed transaction will proceed, amongst other steps, by way of a "three-cornered" amalgamation and a reverse triangular merger, pursuant to which (i) Finco and PubCo Sub will amalgamate, and the resulting entity will become a wholly-owned subsidiary of G2GRTO; and (ii) FRX and Merger Sub will merge and the resulting entity will become a wholly-owned subsidiary of G2GRTO (the "Proposed Transaction").

Under the Proposed Transaction, the holders of FRX shares ("FRX Shares") and the holders of shares of Finco ("Finco Shares"), including those shares acquired by way of the Offering (defined below) will receive common shares of G2GRTO ("Resulting Issuer Shares") in exchange for their FRX Shares and Finco Shares, respectively. In addition, upon the completion of the Proposed Transaction, all of FRX's and Finco's securities exercisable or exchangeable for, or convertible into, or other rights to acquire FRX or Finco securities outstanding at completion of the Proposed Transaction will be exchanged for securities exercisable or exchangeable for, or convertible into, rights to acquire Resulting Issuer Shares, on the same economic terms and conditions as such original outstanding securities. In connection with the Proposed Transaction, G2GRTO will consolidate its shares on a 3.5 to 1 basis immediately prior to the closing of the Proposed Transaction (the "Consolidation").

On February 3, 2022, Finco completed a concurrent brokered and non-brokered private placement of subscription receipts ("Subscription Receipts") and convertible debentures ("Convertible Debentures") for aggregate gross proceeds of approximately CAD\$6.5 million (the "Offering"). The Offering was completed in connection with the Proposed Transaction. The Offering was comprised of: (i) the brokered sale of 5,899,000 Subscription Receipts (the "Brokered Offering"), at a price of CAD\$1.00 per Subscription Receipt (the "Issue Price") (ii) the non-brokered sale of 115,000 Subscription Receipts at the Issue Price; and (iii) the non-brokered sale of CAD\$482,029 principal amount of Convertible Debentures.

Each Subscription Receipt will be automatically exchanged, for no additional consideration, into one unit of Finco (a "Unit"), on the satisfaction of the certain escrow release conditions set forth in the Subscription Receipt Agreement at or before 5:00 p.m. (Toronto time) on the date that is 120 days after the closing date of the Offering. Each Unit will be comprised of one common share in the capital of Finco (a "Common Share") and one-half of one Common Share purchase warrant (a "Warrant"). Each whole Warrant will entitle the holder thereof to acquire one Common Share at an exercise price of CAD\$1.30 at any time prior to the second anniversary from the date of issuance. The Convertible Debentures shall be automatically converted into Units at the Issue Price on the closing of the Proposed Transaction.

Completion of the Proposed Transaction is subject to a number of conditions, including, but not limited to, the receipt of regulatory approval, including the approval of the TSX Venture Exchange, completion of the Offering, certain standard closing conditions, including there being no material adverse change in the business of G2GRTO or FRX prior to completion of the Proposed Transaction (see News Releases dated February 1, 2022 and February 3, 2022 on [www.sedar.com](http://www.sedar.com)).

# Good2GoRTO Corp.

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### 8. INCOME TAX

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% (2020 - 26.5%) to the effective tax rate is as follows:

|   | <u>2021 (\$)</u> | <u>2020 (\$)</u> |
|---|------------------|------------------|
| Net loss before recovery of income tax        | (265,979)        | (10,950)         |
| Expected income tax recovery                  | (70,480)         | (2,902)          |
| Non-deductible expenses                       | 13,750           | -                |
| Share issuance cost booked directly to equity | (15,820)         | -                |
| Change in tax benefits not recognized         | 72,550           | 2,902            |
| Income tax recovery                           | -                | -                |

#### Unrecognized deferred tax assets

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

|                                      | <u>2021 (\$)</u> | <u>2020 (\$)</u> |
|--------------------------------------|------------------|------------------|
| Capitalized transaction costs        | 94,930           | -                |
| Share issuance costs                 | 75,210           | -                |
| Operating tax losses carried forward | 114,610          | 10,950           |
|                                      | <u>284,750</u>   | <u>10,950</u>    |

The Canadian operating tax loss carry forwards expire as noted in the table below.

Share issuances costs will be fully amortized in 2025.

The remaining deductible temporary differences may be carried forward indefinitely. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the group can utilize the benefits therefrom.

The Company's Canadian operating tax losses expire as follows:

| <u>Year</u> | <u>\$</u>      |
|-------------|----------------|
| 2040        | 10,950         |
| 2041        | 103,660        |
|             | <u>114,610</u> |