

Twenty20 Investments Inc.
(formerly CellBroadcast Group Inc.)

Financial Statements

June 30, 2020 and 2019



Independent Auditors' Report

To: The Shareholders of **Twenty20 Investments Inc.**

Opinion

We have audited the financial statements of Twenty20 Investments Inc. (the "Company"), which comprise the statements of financial position as at June 30, 2020 and 2019 and the statements of loss and comprehensive loss, changes in capital deficiency and cash flows for the years 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 June 30, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' 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 2 to the financial statements which indicates that at June 30, 2020 the Company had a capital deficiency of \$198,250. This condition, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditors' 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 in this auditors' report. We have nothing to report in this regard.

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

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

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

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

Independent Auditors' Report (continued)

Auditors' 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 auditors' 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 judgement 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

The engagement partner on the audit resulting in this Independent Auditors' report is Roland A. Bishop, CPA, CA.



August 28, 2020
Calgary, Alberta

Chartered Professional Accountants

Twenty20 Investments Inc.
(formerly CellBroadcast Group Inc.)
Statements of Financial Position

As at June 30,

2020

2019

Liabilities and Capital Deficiency

Current liabilities

Accounts payable and accrued liabilities	\$ 6,945	\$ 5,000
Due to director (note 5)	11,550	46,351
Debenture (note 6)	159,000	150,000
Due to related party (note 7)	20,755	-
	<hr/>	<hr/>
	198,250	201,351

Capital deficiency

Share capital (note 8)	960,612	816,125
Deficit	(1,158,862)	(1,017,476)
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	(198,250)	(201,351)
	<hr/>	<hr/>
	\$ -	\$ -

Going concern (note 2)

Approved on behalf of the board

"Signed" Shelley Germann Director

"Signed" Kimberley Zacharias Director

Twenty20 Investments Inc.
(formerly CellBroadcast Group Inc.)
 Statements of Loss and Comprehensive Loss

Years ended June 30,	2020	2019
Revenue	\$ -	\$ -
Expenses		
Management fees (note 7)	63,000	-
Professional fees	29,096	5,000
Office (note 7)	27,090	-
Interest	12,715	-
Filing fees	9,485	-
Net and comprehensive loss	\$ (141,386)	\$ (5,000)
Basic and diluted loss per share (note 8)	\$ (0.07)	\$ (0.01)
Weighted average number of shares outstanding (note 8)	2,031,335	960,675

See accompanying notes to financial statements

Twenty20 Investments Inc.
(formerly CellBroadcast Group Inc.)
 Statements of Changes in Capital Deficiency

	Share capital	Deficit	Total
Balance, July 1, 2018	\$ 816,125	\$ (1,012,476)	\$ (196,351)
Net and comprehensive loss	-	(5,000)	(5,000)
Balance, June 30, 2019	816,125	(1,017,476)	(201,351)
Net and comprehensive loss	-	(141,386)	(141,386)
Shares issued	144,487	-	144,487
Balance, June 30, 2020	\$ 960,612	\$ (1,158,862)	\$ (198,250)

See accompanying notes to financial statements

Twenty20 Investments Inc.
(formerly CellBroadcast Group Inc.)
 Statements of Cash Flows

Years ended June 30,	2020	2019
Operating activities		
Net and comprehensive loss	\$ (141,386)	\$ (5,000)
Change in non-cash working capital item		
Accounts payable and accrued liabilities	1,945	5,000
Debenture	9,000	-
Due to related party	92,325	-
Due to director	1,480	-
	(36,636)	-
Financing activity		
Advances from director	36,636	-
Increase in cash	-	-
Cash, beginning of year	-	-
Cash, end of year	\$ -	\$ -
Cash interest paid	\$ -	\$ -

See accompanying notes to financial statements

Twenty20 Investments Inc.

(formerly CellBroadcast Group Inc.)

Notes to Financial Statements

Years ended June 30, 2020 and 2019

1. Nature of operations

Twenty20 Investments Inc. (the “Company”) was incorporated under the Alberta Business Corporations Act on June 7, 1996. On July 29, 2020 the Company changed its name from CellBroadcast Group Inc. to Twenty20 Investments Inc. The Company is currently inactive.

2. Going concern

These financial statements have been prepared on a going concern basis which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. The Company has a working capital deficiency of \$198,250 (2019 - \$201,351). Management is aware, in making its assessment, of material uncertainties related to events or conditions that cast significant doubt upon the entity's ability to continue as a going concern.

The Company's ability to continue to meet its obligations is uncertain and dependent on the continued financial support of its shareholders. There is, however, no assurance that any such initiatives will be sufficient and, as a result, there is significant doubt regarding the going concern assumption and, accordingly, the ultimate appropriateness of the use of accounting principles applicable to a going concern. These financial statements do not reflect the adjustments to the carrying values of liabilities and the reported expenses and statement of financial position classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations for the foreseeable future. These adjustments could be material.

3. Basis of presentation

a) Statement of compliance

The financial statements of the Company for the years ended June 30, 2020 and 2019 have been prepared in accordance with International Financial Reporting Standards (“IFRS”). The significant accounting policies applied in these financial statements are presented below and are based on IFRS in effect as of June 30, 2020.

The financial statements were approved by the Board of Directors on August 28, 2020.

b) Basis of measurement

The financial statements have been prepared on a historical cost basis except for: measurement of financial instruments at fair value through profit or loss.

c) Use of estimates and judgments

The preparation of the financial statements in conformity with IFRS requires management to make certain critical accounting estimates and assumptions and exercise its judgment in the process of applying the Company's accounting policies and reporting amounts of revenue and expenses and the carrying values of assets and liabilities.

Twenty20 Investments Inc.

(formerly CellBroadcast Group Inc.)

Notes to Financial Statements

Years ended June 30, 2020 and 2019

3. Basis of presentation, continued

c) Use of estimates and judgments, continued

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. There are no areas of significant estimate or judgment.

d) Functional and presentation currency

The functional and presentation currency of the Company is Canadian dollars.

4. Significant accounting policies

a) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

b) Loss per share

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

c) Financial instruments

Recognition

Financial assets and financial liabilities are recognized on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Twenty20 Investments Inc.

(formerly CellBroadcast Group Inc.)

Notes to Financial Statements

Years ended June 30, 2020 and 2019

4. Significant accounting policies, continued

c) Financial instruments, continued

Classification

Financial assets are classified as subsequently measured at amortized cost or fair value through profit or loss on the basis of both the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The classification of subsequently measured at amortized cost is used when the objective of the business model is to hold assets and collect contractual cash flows, and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial liabilities are classified as subsequently measured at amortized cost, unless they meet the criteria for measurement at fair value or other prescribed measurement.

The Company's accounts payable and accrued liabilities, due to director, due to related party and debenture are classified as financial liabilities subsequently measured at amortized cost.

Measurement

Financial assets and financial liabilities classified as subsequently measured at amortized cost are initially measured at fair value plus or minus transaction costs that are directly attributable to the acquisition of the financial asset or issue of the financial liability. Subsequently, the financial assets and liabilities are measured at amortized cost using the effective interest rate method.

Impairment

Financial assets classified as subsequently measured at amortized cost reflect the Company's assessment of expected credit losses. Expectations reflect historical credit losses, adjusted for forward looking factors. The expected credit loss provision is based on expectations for the next twelve months unless there has been a significant increase in the customer's credit risk, resulting in the provision being based on expectations for the remaining lifetime of the asset.

5. Due to director

Amount due to director is unsecured, bears interest at 6% per annum and has no specific terms of repayment. An amount due to director of \$63,712 was exchanged for 1,592,800 common shares on March 10, 2020.

6. Debenture

During a prior year, the Company raised \$150,000 under the terms of a debenture held by an entity owned by a director of the Company. The debenture is due on demand and bears interest at 6% per annum with all interest accrued to June 30, 2019 being waived by the debenture holder. During the year, \$9,000 of interest was accrued.

Twenty20 Investments Inc.

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Notes to Financial Statements

Years ended June 30, 2020 and 2019

7. Related party balances and transactions

During the year, the Company entered into transactions with a company owned by director of the Company. The balance owing at year end bears interest at 6% per annum and has no set terms of repayment. Transactions during the year are as follows:

Management fees	\$ 63,000
Office	27,090

During the year, amounts due to related party of \$80,755 were exchanged for 2,019,375 common shares.

8. Share capital

Authorized with an unlimited number of the following:

Class "A" and "B" voting, common shares

Class "C" non-voting, common shares

Preferred shares

	<u>2020</u>	<u>2019</u>
Class A voting, common shares (4,572,850 issued (2019 – 960,675 issued))	\$ 960,612	\$ 816,125

During the year, the Company issued 3,612,175 shares in exchange for amounts due to a director and a related party in the amount of \$144,487.

All share numbers in these financial statements have been adjusted to reflect a four for one share consolidation which occurred on August 4, 2020.

9. Income tax

Income taxes reported differ from the amount computed by applying the statutory federal and provincial income tax rates to income before income taxes. The reasons for these differences and their tax effects at a rate of 25.75% (2019 - 27%) are as follows:

	<u>2020</u>	<u>2019</u>
Net income before tax	\$ (141,386)	\$ (5,000)
Statutory rate	25.75%	27.0%
Income tax expense at statutory rate	(36,407)	(1,350)
Amount not recognized	36,407	1,350
Income tax expense	<u>\$ -</u>	<u>\$ -</u>

As at June 30, 2020, the Company has unrecognized non-capital loss carryforward assets as follows:

	<u>2020</u>	<u>2019</u>
Non-capital loss carryforwards	\$ 161,665	\$ 125,258
Amount not recognized	(161,665)	(125,258)
Asset	<u>\$ -</u>	<u>\$ -</u>

Twenty20 Investments Inc.

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Notes to Financial Statements

Years ended June 30, 2020 and 2019

10. Capital disclosures

The Company's objectives when managing capital is to safeguard its ability to continue as a going concern, provide adequate working capital and maintain cash on hand. The Company defines capital as the Company's shareholders' equity. At June 30, 2020 the Company had a capital deficiency of \$198,250 (2019 – \$201,351). The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets.

11. Financial instruments and risk management

Fair value measurements

Financial instruments carried at fair value on the balance sheet are assessed using the following hierarchy based on the amount of observable inputs used to value the instrument.

- Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.
- Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data. Assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement within the fair value hierarchy level.

Due to the short term nature of accounts payable and accrued liabilities, debenture, due to director and due to related party their carrying value approximates their fair value.

Liquidity risk

Liquidity risk is the potential for the Company to have difficulty in meeting its obligations associated with financial liabilities as they become due. The Company's financial liabilities consist of accounts payable and accrued liabilities, advances from a director, advances from related party and debenture. All of the Company's financial liabilities have contractual maturities of less than one year. All costs of the Company are currently being funded by a director.

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Notes to Financial Statements

Years ended June 30, 2020 and 2019

12. Novel Coronavirus (“COVID-19”)

During the year, the outbreak of the novel strain of coronavirus, specifically identified as “COVID-19”, was declared a global pandemic by the World Health Organization and governments worldwide have enacted emergency measures to combat the spread of the virus. These measures, which include public health measures requesting the public to stay home as much as possible, the implementation of travel bans, self imposed quarantine periods and physical distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets and oil prices have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company.