Holly Street Capital Ltd.
(A Capital Pool Company)

FINANCIAL STATEMENTS

For nine months ended June 30, 2020

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed interim financial statements, they must be accompanied by a notice indicating that these condensed interim financial statements have not been reviewed by an auditor. The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company’s independent auditor has not performed a review of these condensed interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for review of condensed interim financial statements by an entity’s auditor.

(Expressed in Canadian dollars)

	As at June 30, 2020	As at September 30, 2019
	$	$
ASSETS		
Cash	217,107	76,529
Prepaid expense	-	20,500
Total assets	217,107	97,029
LIABILITIES		
Accounts payable and accrued liabilities	-	12,903
Total liabilities	-	12,903
SHAREHOLDERS' EQUITY		
Share capital (Note 5)	284,522	100,000
Reserves (Note 5)	53,000	-
Deficit	(120,415)	(15,874)
Total shareholders' equity	217,107	84,126
Total liabilities and shareholders' equity	217,107	97,029

Nature of Operations and Going Concern (Note 1)

Approved by the Board of Directors on July 21, 2020:

"Trumbull Fisher"
Director

"Joel Freudman"
Director

The accompanying notes form an integral part of these interim financial statements.

CONDENSED INTERIM STATEMENT OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

	For the three months ended June 30, 2020	For the nine months ended June 30, 2020
	$	$
Expenses		
Bank charges	200	523
Office and administrative	-	409
Professional fees	6,459	53,003
Regulatory and filing	472	10,606
Stock-based compensation (Note 5 and 8)	-	40,000
Net loss and comprehensive loss for the period	(7,131)	(104,541)
Net loss per share		
Basic and diluted (Note 9)	(0.00)	(0.06)
Weighted average number of common shares outstanding (basic and diluted)	2,500,000	1,788,321

The accompanying notes form an integral part of these interim financial statements.

(Expressed in Canadian dollars unless otherwise stated)

	Number of Outstanding Shares	Share capital	Reserves	Deficit	Total
		$	$	$	$
Balance, July 31, 2019 (date of incorporation)	**1**	**1**	**-**	**-**	**1**
Repurchase of incorporation share	(1)	(1)	-	-	(1)
Founder seed shares issued for cash	2,000,000	100,000	-	-	100,000
Net loss for the period	-	-	-	(15,874)	(15,874)
Balance, September 30, 2019	**2,000,000**	**100,000**	**-**	**(15,874)**	**84,126**

	Number of Outstanding Shares	Share capital	Reserves	Deficit	Total
		$	$	$	$
Balance, September 30, 2019	**2,000,000**	**100,000**	**-**	**(15,874)**	**84,126**
Initial public offering	2,500,000	250,000	-	-	250,000
Finders fee - cash	-	(25,000)	-	-	(25,000)
Finders fee – agent options	-	(13,000)	13,000	-	-
Share issuance costs	-	(27,478)	-	-	(27,478)
Stock-based compensation	-	-	40,000	-	40,000
Net loss for the period	-	-	-	(104,541)	(104,541)
Balance, June 30, 2020	**4,500,000**	**284,522**	**53,000**	**(120,415)**	**217,107**

Holly Street Capital Ltd.
(A CAPITAL POOL COMPANY)
CONDENSED INTERIM STATEMENTS OF CASH FLOW
(Expressed in Canadian dollars)

	For the nine months ended June 30, 2020
	$
Cash flows provided by (used in)	
Operating Activities	
Net loss	(104,541)
Non-cash items	
Stock-based compensation	40,000
Changes in non-cash working capital:	
Prepaid expense	20,500
Accounts payable and accrued liabilities	(12,903)
Net cash used in operating activities	(56,944)
Cash flows from financing activities	
Proceeds from initial public offering	250,000
IPO agent compensation	(25,000)
Share issuance costs	(27,478)
Net cash from financing activities	197,522
Change in cash, for the period	140,578
Cash and cash equivalents - beginning of period	76,529
Cash and cash equivalents - end of period	217,107

The accompanying notes form an integral part of these interim financial statements.

1. Nature of operations and going concern

Nature of operations

Holly Street Capital Ltd. (the "Company" or "Holly") was incorporated under the British Columbia Corporations Act on July 31, 2019. The Company is intending to be classified as a Capital Pool Company as defined in the TSX Venture Exchange (the "Exchange") Policy 2.4. The principal business of the Company is the identification and evaluation of a Qualifying Transaction ("QT") and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities.

On December 17, 2019, the Company completed its IPO on the Exchange raising gross proceeds of $250,000 through the issuance of 2,500,000 common shares at $0.10 per common share. The Company's common shares were approved for listing on the Exchange and commenced trading effective December 19, 2019 under the symbol "HSC.P".

The head office, principal address and registered office of the Company are located at Suite 1500 - 1055 West Georgia St., P.O. Box 11117, Vancouver, B.C., V6E 4N7.

Going concern

These financial statements have been prepared on a going concern basis. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company has no operations at this time which will generate revenue, and there is no assurance that the Company will identify a QT under the policies of the Exchange. If a QT is not completed, the Company will need to identify other sources of finance to remain as a going concern. These circumstances have resulted in a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern. The Company has incurred losses from inception, has a working capital surplus of $217,107, and has an accumulated deficit of $120,415 as at June 30, 2020.

The financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these financial statements, then adjustments would be necessary to the carrying values of assets and liabilities.

2. Basis of presentation and significant accounting policies

Statement of Compliance

These condensed interim financial statements of the Company have been prepared in accordance with International Accounting Standards ("IAS") 34, '*Interim Financial Reporting*' using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of Presentation

These financial statements have been prepared on a historical cost basis, except for any financial assets and liabilities held at fair value, as explained in the accounting policies set out below. The financial statements are presented in Canadian Dollars, which is also the Company's functional currency.

Significant accounting policies

Cash and cash equivalents

The Company considers cash to include amounts held at a major Canadian bank.

2. Basis of presentation and significant accounting policies (continued)

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Classification

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

- Those to be measured subsequently at fair value (either through Other Comprehensive Income ("OCI"), or through profit or loss), and

- Those to be measured at amortized cost.

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

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

Measurement

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

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

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included as finance income using the effective interest rate method.

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

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

Financial liabilities

The Company classifies its financial liabilities into the following categories: financial liabilities at FVTPL and amortized cost.

2. Basis of presentation and significant accounting policies (continued)

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

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

The Company includes fair value measurement disclosures as required under IFRS 7. These disclosures include the 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, described as follows:

Cash	Fair value through profit or loss
Accounts payable and accrued liabilities	Financial liabilities measured at amortized cost

Loss per share

Basic income (loss) per share is computed by dividing net income (loss) by the weighted average number of common shares outstanding during the year. The computation of diluted income (loss) per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on income (loss) per share. For this purpose, the treasury stock method is used for the assumed proceeds upon the exercise of stock options and warrants that are used to purchase common shares at the average market price during the year.

Income Taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used are those that are substantively enacted by the end of the reporting date.

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting. The change in the net deferred income tax asset or liability is included in income except for deferred income tax relating to equity items which is recognized directly in equity. The income tax effects of differences in the periods when revenue and expenses are recognized, in accordance with Company’s accounting practices, and the periods they are recognized for income tax purposes are reflected as deferred income tax assets or liabilities. Deferred income tax assets and liabilities are measured using the substantively enacted statutory income tax rates which are expected to apply to taxable income in the years in which the assets are realized or the liabilities settled. A valuation allowance is recorded against any deferred tax asset if it is not probable to be utilized against future taxable profit.

Deferred income tax assets and liabilities are offset only if a legally enforceable right exists to offset current tax assets against liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity and are intended to be settled on a net basis.

The determination of current and deferred taxes requires interpretations of tax legislation, estimates of expected timing of reversal of deferred tax assets and liabilities, and estimates of future earnings.

Share capital and share issuance costs

Costs directly attributable to the raising of capital are charged against the related share capital. Costs related to shares not yet issued are recorded as deferred share issuance costs. These costs are deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related share capital or charged to operations if the shares are not issued.

2. Basis of presentation and significant accounting policies (continued)

Share-based compensation

The fair value of the share-based compensation awards is determined at the date of grant using the Black-Scholes option pricing model. The fair value of the award is charged to the Statement of Income (Loss) and Comprehensive Income (Loss) (unless they are considered to be share issuance costs in which case they are booked as a reduction to share capital) and credited to the Share-based payment and warrants reserve (within Shareholders' Equity on the Statement of Financial Position) rateably over the vesting period, after adjusting for the number of awards that are expected to vest. Expenses recognized for forfeited awards are reversed. For awards that are cancelled, any expense not yet recognized is recognized immediately in the Statement of Income (Loss) and Comprehensive Income (Loss). Where the terms of an equity-settled award are modified, as a minimum an expense is recognized as if the terms had not been modified over the original vesting period. In addition, an expense is recognized for any modification which increases the total fair value of the share-based payment arrangement as measured at the date of modification, over the remainder of the vesting period.

Warrants

Warrants issued to agents in connection with a financing are recorded at fair value using the Black-Scholes option pricing model and charged as share issuance costs associated with the offering with an offsetting credit to Share-based payment and warrants reserve.

Proceeds of the exercise of these warrants are credited to share capital together with the corresponding amount, if any, of the original warrant charge included in Share-based payment and warrants reserve.

Changes in accounting standards

There were no new standards effective June 30, 2020 that had any impact on these financial statements or are expected to have a material effect in the future.

3. Significant Accounting Estimates and Judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Management believes the estimates and assumptions used in these financial statements are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

The Company's significant accounting judgments and estimates have been applied in these financial statements:

Judgments

The measurement of deferred income tax assets and liabilities.

Estimations

The evaluation of the Company's ability to continue as a going concern.

4. Qualifying Transaction

On June 2, 2020, the Company and Wolf Acquisition Corp. ("WOLF.P") entered into a binding letter of intent ("LOI") with Jasper Studios Inc. in respect of a proposed business combination. The LOI was terminated on July 15, 2020 by the Company and WOLF.P to focus on identifying another transaction which would constitute a Qualifying Transaction in accordance with Policy 2.4 – Capital Pool Companies of the Exchange.

5. Share Capital and Reserves

a) Authorized:

The Company is authorized to issue an unlimited number of common shares without par value.

For the period ended June 30, 2020

The Company completed its initial public offering of 2,500,000 common shares at $0.10 per Share for gross proceeds of $250,000 pursuant to a Prospectus dated November 29, 2019 filed with the British Columbia, Alberta and Ontario Securities Commissions. Pursuant to the initial public offering, the Company paid a cash commission of $25,000, paid corporate finance fee of $20,500, incurred an additional $6,978 in share issuance costs, and granted 250,000 agent options.

For the year ended September 30, 2019

On July 31, 2019, the Company issued 1 incorporation common share at a price of $0.01 per share. This share was
repurchased by the Company and cancelled on July 31, 2019.

On July 31, 2019, the Company issued 2,000,000 seed shares to the founders of the Company at a price of $0.05 per common share for gross proceeds of $100,000.

Agents Options

Concurrent with the completion of the initial public offering, the Company granted 250,000 agent options exercisable at a price of $0.10 per share expiring two years from the listing date of December 19, 2019. The fair value of these agents options granted was determined to be $13,000 using the Black-Scholes valuation model and the following inputs: i) exercise price $0.10, ii) stock price $0.10, iii) volatility: 100%, iv) risk free rate: 1%. The fair market value of these agents options has been included as a reduction against share capital. The remaining life on these agents options is 1.72 years.

Stock Options

Concurrent with the completion of the initial public offering, the Company granted 450,000 stock options to officers and directors exercisable at a price of $0.10 per share expiring ten years from the listing date of December 19, 2019. The fair value of these stock options granted was determined to be $40,000 using the Black-Scholes valuation model and the following inputs: i) exercise price $0.10, ii) stock price $0.10, iii) volatility: 100%, iv) risk free rate: 1%. The fair market value of these stock options has been included as in stock-based compensation. The remaining life on these stock options is 9.72 years.

6. Financial Instruments

As at June 30, 2020, the Company's financial instruments consist of cash and accounts payable. The Company believes that the carrying values of cash, and accounts payable and accrued liabilities approximate their fair values because of their nature and relatively short maturity dates or durations.

All of the Company's financial instruments and cash are considered to be Level 1 within the fair value hierarchy (as discussed below).

Level 1– fair values based on unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – fair values based on inputs that are observable for the asset or liability, either directly or indirectly; and
Level 3 – fair values based on inputs for the asset or liability that are not based on observable market data.

The Company's policy for determining when a transfer occurs between levels in the fair value hierarchy is to assess the impact at the date of the event or the change in circumstances that could result in a transfer. There were no transfers between the levels during the period ended June 30, 2020.

The risk exposure arising from these financial instruments is summarized as follows:

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation. As of June 30, 2020 the Company's exposure to credit risk is minimal.

(b) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company's ability to continue to meet its liabilities when due, beyond the current cash balance, is dependent on future support of shareholders through public or private equity offerings. Refer to Note 1, Nature of Operations and Going Concern.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or value of its holdings or financial instruments. The Company's activities have only been transacted in Canadian dollars since incorporation; in addition, the Company carries no interest-bearing debt. As such, the Company has minimal market risks facing it at present.

7. Capital Management

The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to support the identification and evaluation of a QT and continue as a going concern. The Company considers capital to be all accounts in equity. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. Additional funds may be required to finance the Company's QT. In accordance with Policy 2,4 of the Exchange, the proceeds raised from the sale of securities may only be used to identify and evaluate assets or businesses, and obtain shareholder approval for a QT, with the exception that up to the lesser of 30% of the gross proceeds realized by the Company in respect of the sale of its securities, or $210,000, may be used for purposes other than such identification and evaluation of businesses or assets. These restrictions apply until completion of a QT by the Company as defined under Policy 2.4 of the Exchange. The Company is required to complete its QT on or before two years from the date the Company receives regulatory approval to list its shares on the Exchange.

8. Related Party Transactions

During the period ended June 30, 2020, the Company recognized $40,000 in stock-based compensation expense relating to its December 19, 2019 grant of options to directors and officers (Note 5).

9. Loss Per Share

The calculation of basic and diluted loss per share for the period for the three and nine months ended June 30, 2020 was based on the loss attributable to common shareholders of $7,131 and $104,541, respectively and the average weighted number of capital stock issued during the same periods; the calculation precludes founders shares as they have been escrowed and therefore are contingently returnable.