



Lifeist Wellness Inc. (formerly Namaste Technologies Inc.)
Condensed Consolidated Interim Financial Statements
(Unaudited)

For the three and nine months ended August 31, 2021 and August 31, 2020

(In Canadian dollars)



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Condensed Consolidated Interim Statements of Financial Position

As at August 31, 2021 and November 30, 2020

(Expressed in Canadian dollars)

	Notes	August 31, 2021	November 30, 2020
ASSETS			
<i>Current assets</i>			
Cash and cash equivalents	23	\$ 17,946,407	\$ 10,278,026
Trade and other receivables	5	4,735,574	5,679,536
Convertible loan receivable	22 (b) (ii)	201,215	201,215
Inventories	6	4,852,545	8,128,334
Prepaid expenses and other assets	12	2,096,471	1,880,510
Total current assets		29,832,212	26,167,621
<i>Non-current assets</i>			
Portfolio investments	8	895,876	882,031
Property and equipment	9	3,971,509	4,971,727
Intangible assets	10	5,383,544	6,098,116
Goodwill	11	667,091	667,091
Other assets	12	470,913	441,381
Total non-current assets		11,388,933	13,060,346
Total assets		\$ 41,221,145	\$ 39,227,967
LIABILITIES AND SHAREHOLDERS' EQUITY			
<i>Current liabilities</i>			
Accounts payable and accrued liabilities	13	\$ 9,319,042	\$ 8,104,395
Short-term portion of lease liabilities	16	196,215	217,747
Deferred revenue	14	401,172	669,846
Provisions	15	454,179	658,590
Total current liabilities		10,370,608	9,650,578
<i>Non-current liabilities</i>			
Deferred tax liabilities	21 (b)	9,456	50,398
Long-term portion of lease liabilities	16	411,139	537,569
Other long-term liabilities	13	539,000	-
Total non-current liabilities		959,595	587,967
<i>Shareholders' equity</i>			
Share capital	17	152,829,569	133,992,359
Contributed surplus		19,196,158	19,085,412
Options reserve		10,098,397	9,319,817
Warrants reserve		24,621,901	20,114,526
Other reserves		(3,769,219)	-
Accumulated deficit		(172,634,791)	(152,830,285)
Accumulated other comprehensive (loss)	17	(451,073)	(427,626)
Total equity attributable to Shareholders of the Company		29,890,942	29,254,203
Non-controlling interests		-	(264,781)
Total shareholders' equity		29,890,942	28,989,422
Total liabilities and shareholders' equity		\$ 41,221,145	\$ 39,227,967

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

Approved on behalf of the Board on October 28, 2021 by:

"Branden Spikes"
Director

"Meni Morim"
Director

LIFEIST WELLNESS INC. (formerly Namaste Technologies Inc.)**LIFEIST_**

Condensed Consolidated Interim Statements of Operations

For the three and nine months ended August 31, 2021 and August 31, 2020

(Unaudited - Expressed in Canadian dollars)

	Notes	Three months ended		Nine months ended	
		August 31, 2021	August 31, 2020	August 31, 2021	August 31, 2020
Gross revenue		\$ 7,067,091	\$ 6,281,875	\$ 19,482,586	\$ 19,099,641
Excise taxes		(1,279,341)	(597,028)	(2,904,323)	(1,181,327)
Net revenue	4,18	5,787,750	5,684,847	16,578,263	17,918,314
Cost of goods sold	6	4,481,944	5,132,466	14,064,795	16,003,155
Gross profit before inventory adjustment		\$ 1,305,806	\$ 552,381	\$ 2,513,468	\$ 1,915,159
Inventory write-down	6	(432,710)	(135,403)	(1,517,903)	(380,311)
Gross profit		873,096	416,978	995,565	1,534,848
Salaries and other compensation costs		2,853,552	2,633,216	8,262,750	7,950,416
Office and general expenses		2,099,282	1,975,282	5,728,857	6,828,350
Technological development		99,408	337,658	546,492	1,319,914
Professional fees		439,851	519,026	1,453,919	1,270,310
Selling and marketing expense		731,431	361,882	1,422,315	1,119,119
Restructuring and other cost		-	-	-	(1,300,000)
Depreciation and amortization	9,10	535,739	453,662	1,515,608	1,686,131
Share-based compensation	17 (d)	(4,873)	422,349	889,252	601,030
Loss before following:		\$ (5,881,294)	\$ (6,286,097)	\$ (18,823,628)	\$ (17,940,422)
Other expense (income)	20	65,783	(235,487)	699,378	(513,612)
Impairment on investment in associates	7	-	-	-	1,016,127
Impairment loss on loans receivable	24(v)	-	-	-	322,887
Share of associates' loss, net of tax	7	-	-	-	329,652
Foreign exchange loss (gain)		(24)	1,737,576	80,212	893,998
Net loss before income tax expense		(5,947,053)	(7,788,186)	(19,603,218)	(19,989,475)
Income tax (expense)		(106,369)	(45,309)	(201,288)	(78,057)
Net loss		\$ (6,053,422)	\$ (7,833,495)	\$ (19,804,506)	\$ (20,067,532)
Net loss attributable to:					
Shareholders of the Company		\$ (6,053,422)	\$ (7,819,515)	\$ (19,804,506)	\$ (20,003,571)
Non-controlling interests			(13,980)	-	(63,961)
Net loss		\$ (6,053,422)	\$ (7,833,495)	\$ (19,804,506)	\$ (20,067,532)
Net loss per share (basic and diluted)	17 (e)	\$ (0.02)	\$ (0.02)	\$ (0.05)	\$ (0.06)
Weighted average number of outstanding common shares (basic and diluted)		386,024,310	323,954,483	398,138,317	323,953,392

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

LIFEIST WELLNESS INC. (formerly Namaste Technologies Inc.)
 Condensed Consolidated Interim Statements of Comprehensive Loss
 For the three and nine months ended August 31, 2021 and August 31, 2020
 (Unaudited - Expressed in Canadian dollars)

LIFEIST_

	Three months ended		Nine months ended	
	August 31, 2021	August 31, 2020	August 31, 2021	August 31, 2020
Net loss	\$ (6,053,422)	(7,833,495)	\$ (19,804,506)	\$ (20,067,532)
Other comprehensive loss:				
<i>Items that are or may be reclassified to profit or loss</i>				
Cumulative translation adjustment	(14,739)	1,662,783	(623,447)	741,405
<i>Items that will not be reclassified to profit or loss</i>				
Changes in the fair value of equity investments designated at FVOCI	-	(311,390)	600,000	(759,099)
	(14,739)	1,351,393	(23,447)	(17,694)
Total comprehensive loss	\$ (6,068,161)	(6,482,102)	\$ (19,827,953)	\$ (20,085,226)
Total comprehensive loss attributable to:				
Shareholders of the Company	\$ (6,068,161)	(6,468,122)	\$ (19,827,953)	\$ (20,021,265)
Non-controlling interests	-	(13,980)	-	(63,961)
Total comprehensive loss	\$ (6,068,161)	(6,482,102)	\$ (19,827,953)	\$ (20,085,226)

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

LIFEIST WELLNESS INC. (formerly Namaste Technologies Inc.)

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

For the nine months ended August 31, 2021 and August 31, 2020

(Unaudited - Expressed in Canadian dollars)

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	Attributable to Shareholders of the Company												Total Shareholders' Equity
	Share Capital		Warrants Reserve		Options Reserve		Contributed Surplus	Other Reserves	Accumulated OCI	Accumulated Deficit	Total Equity	Non-controlling interests	
	#	\$	#	\$	#	\$	\$	\$	\$	\$	\$	\$	
Balance at November 30, 2020	323,954,483	133,992,359	13,922,500	20,114,526	16,435,205	9,319,817	19,085,412	-	(427,626)	(152,830,285)	29,254,203	(264,781)	28,989,422
Total comprehensive loss:													
Net loss	-	-	-	-	-	-	-	-	-	(19,804,506)	(19,804,506)	-	(19,804,506)
Other comprehensive loss	-	-	-	-	-	-	-	-	(23,447)	-	(23,447)	-	(23,447)
Acquisition of non-controlling Interest	-	-	-	-	-	-	-	(3,769,219)	-	-	(3,769,219)	264,781	(3,504,438)
	323,954,483	133,992,359	13,922,500	20,114,526	16,435,205	9,319,817	19,085,412	(3,769,219)	(451,073)	(172,634,791)	5,657,031	-	5,657,031
Transactions directly recorded in equity:													
Issue of shares for purchase of Non-controlling interest in CannMart Labs. Inc.	9,278,538	2,147,500	-	-	-	-	-	-	-	-	2,147,500	-	2,147,500
Issue of shares and warrants for public offering, net of issuance costs	65,780,000	16,689,710	69,726,800	4,507,375	-	-	-	-	-	-	21,197,085	-	21,197,085
Forfeiture of options and warrants	-	-	-	-	(708,333)	(110,746)	110,746	-	-	-	-	-	-
Share-based compensation	-	-	-	-	2,297,439	889,328	-	-	-	-	889,326	-	889,326
Balance at August 31, 2021	399,013,021	152,829,569	83,649,300	24,621,901	18,024,311	10,098,399	19,196,158	(3,769,219)	(451,073)	(172,634,791)	29,890,942	-	29,890,942

	Attributable to Shareholders of the Company												Total Shareholders' Equity
	Share Capital		Warrants Reserve		Options Reserve		Contributed Surplus	Other Reserve	Accumulated OCI	Accumulated Deficit	Total Equity	Non-controlling interests	
	#	\$	#	\$	#	\$	\$	\$	\$	\$	\$	\$	
Balance at November 30, 2019	323,949,483	133,989,964	30,225,658	33,105,831	10,857,621	10,541,291	4,101,586	-	704,871	(126,581,051)	55,862,492	(84,555)	55,777,937
Total comprehensive loss:													
Net loss	-	-	-	-	-	-	-	-	-	(20,003,572)	(20,003,572)	(63,961)	(20,067,533)
Other comprehensive loss	-	-	-	-	-	-	-	-	(17,694)	-	(17,694)	-	(17,694)
	323,949,483	133,989,964	30,225,658	33,105,831	10,857,621	10,541,291	4,101,586	-	687,177	146,584,623	35,841,226	148,516	35,692,710
Transactions directly recorded in equity:													
Exercise of stock options	5,000	2,395	-	-	(5,000)	(1,165)	-	-	-	-	1,230	-	1,230
Forfeiture of options and warrants	-	-	(16,303,158)	(12,991,305)	(2,430,000)	(2,474,312)	14,936,589	-	-	-	(529,028)	-	(529,028)
Share-based compensation	-	-	-	-	8,252,132	1,130,058	-	-	-	-	1,130,058	-	1,130,058
Transfer of gain on disposal of equity investments at FVOCI	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at August 31, 2020	323,954,483	133,992,359	13,922,500	20,114,526	16,674,753	9,195,872	19,038,175	-	687,177	(146,584,623)	36,443,486	(148,516)	36,294,970

Condensed Consolidated Interim Statements of Cash Flows
For the nine months ended August 31, 2021 and August 31, 2020
(Unaudited - Expressed in Canadian dollars)

		Nine months ended	
	Notes	August 31, 2021	August 31, 2020
Cash flows from operating activities:			
Net loss		\$ (19,804,506)	\$ (20,067,532)
Adjustments for:			
Depreciation	9	802,006	516,834
Amortization	10	713,602	1,169,297
Share of the associates' loss, net of tax	7	-	329,652
Impairment on investment in associates	7	-	1,016,127
Impairment loss on loans receivable	24(iv)	-	322,887
Share-based compensation	17(d)	889,252	601,030
Unrealized loss on equity instruments	8(a)	582,861	(122,600)
Unrealized (gain) loss on derivatives	8(c)	(1,983)	4,565
Change in provisions	15	(191,206)	(1,300,000)
Net movement in impairment allowance on trade and other receivables	22(b,ii)	(332,562)	450,000
Net movement in provision for inventories	6	446,251	627,397
Net movement in provision on prepaid expenses and other assets	22(b,ii) 24(iii)	-	900,000
Other non-cash (income) expense		218,233	(12,508)
Deferred tax recovery	21(a)	36,881	(117,667)
Foreign exchange loss (gain)		80,212	736,565
Cash used in operations before changes in non-cash working capital		(16,560,959)	(14,945,953)
Changes in non-cash working capital	23(b)	3,508,989	(5,561,037)
Net cash used in operating activities		(13,051,970)	(20,506,990)
Cash flows from investing activities:			
Purchase of property and equipment	9	(317,331)	(3,446,465)
Purchase of intangibles assets		-	(6,400)
Proceeds from disposal of equity investments	8	5,277	-
Proceeds from disposal of property and equipment	9	131,347	1,460
Loans advanced to associates	24	-	(40,320)
Net cash used in investing activities		(180,707)	(3,491,725)
Cash flows from financing activities:			
Proceeds from exercise of warrants and stock options	17(d)	-	1,230
Proceeds from issuance of share capital	17(b)	18,835,862	-
Proceeds from issuance of warrants	17(c)	4,507,375	-
Share issuance costs	17(b)	(2,146,151)	-
Lease liability principal and interest payment	16	(210,144)	(213,851)
Net cash provided by (used in) financing activities		20,986,942	(212,621)
Net increase (decrease) in cash and cash equivalents		7,754,265	(24,211,336)
Effect of movement in exchange rates on cash held in foreign currencies		(85,884)	-
Cash and cash equivalents, beginning of the period		10,278,026	37,856,048
Cash and cash equivalents, end of the period		\$ 17,946,407	\$ 13,644,712

See Note 23 for additional cash flow information.

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

1. General information

Lifeist Wellness Inc. (“Lifeist” or the “Company”) is a publicly traded company incorporated under the British Columbia Business Corporations Act and is a reporting issuer in British Columbia, Saskatchewan, Manitoba, Ontario, Alberta, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador. Lifeist’s common shares are listed on the TSXV under the symbol “LFST”, on the OTCQB® Venture Market under the symbol “NXTTF” and traded as open stock on the Frankfurt Stock Exchange under the symbol “M5BQ”. The Company’s registered office is 2300 - 550 Burrard Street, Vancouver, British Columbia, Canada.

Lifeist is ‘Your Everything Cannabis Store™’. It operates an e-commerce platform with websites and distribution hubs located around the world. Lifeist has operations in Europe, Australia and Canada. Lifeist’s product offering includes vaporizers, glassware and accessories. CannMart Inc. (a wholly owned subsidiary of the Company) is pursuing a new revenue vertical in the online retail of medical cannabis in the Canadian market. CannMart Inc. is a Canadian-based licensed entity. Lifeist has developed and acquired innovative technology platforms including CannMartMD.com. Findify uses AI algorithms to optimize and personalize a consumer’s on-site buying experience. Lifeist is focused on leveraging its technology to enhance the user experience throughout its platforms.

The condensed consolidated interim financial statements were approved and authorized by the Board of Directors of the Company on October 28, 2021.

2. Summary of significant accounting policies

(a) Basis of presentation

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting, and should be read in conjunction with the Company’s audited consolidated financial statements as at and for the fiscal year ended November 30, 2020 (“last annual financial statements”), which were prepared in accordance with International Financial Reporting Standards (“IFRS”).

(b) Basis of measurement

These condensed consolidated interim financial statements are presented in Canadian

dollars and are prepared on a historical cost basis, except for certain financial instruments which are measured either through fair value through profit or loss (“FVTPL”) or fair value through other comprehensive income (“FVOCI”).

(c) *Basis of consolidation*

These condensed consolidated interim financial statements incorporate the financial statements of the Company, including its subsidiaries (together referred to as the “Group” or “Lifeist”). The accounts of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. All intracompany balances and transactions, and any unrealized income and expenses arising from intracompany transactions, are eliminated in full on consolidation. The table below lists the Company’s subsidiaries and associate, and the ownership interests in each:

Entity	% Ownership	Jurisdiction	Functional currency	Accounting method
Australian Vaporizers Pty Ltd.	100%	Australia	Australian dollar	Consolidation
CannMart Inc.	100%	Canada	Canadian dollar	Consolidation
CannMart Labs Inc.	100%	Canada	Canadian dollar	Consolidation
CannMart Marketplace Inc.	100%	Canada	Canadian dollar	Consolidation
Choklat Inc.	49%	Canada	Canadian dollar	Equity accounting
Findify AB	100%	Sweden	Swedish krona	Consolidation
Namaste Bahamas Inc.	100%	Bahamas	U.S. dollar	Consolidation
Lifeist Worldwide Inc. (formerly Namaste Technologies Holdings Inc.)	100%	Canada	U.S. dollar	Consolidation
CannMartMD Inc. (formerly NamastedMD Inc.)	100%	Canada	U.S. dollar	Consolidation

(d) *Classification of expenses*

In fiscal 2020, the Company changed the presentation of foreign exchange losses and changed the presentation of impairment loss on investments in associates and restructuring costs to appropriately reflect the way in which economic benefits are derived. Comparative amounts in the statement of operations were reclassified for consistency. As a result, the following Q1 and Q2 2020 balances were reclassified:

- (i) \$336,931 and \$621,578 of foreign exchange gains were reclassified from ‘office and general expenses’ to ‘foreign exchange gain’.
- (ii) \$189,244 and \$140,408 of impairment loss on investment in associates was reclassified from ‘share of associates’ loss, net of tax to impairment on investment in associates.

(iii) \$nil and \$1,300,000 of restructuring costs were reclassified from non-operating to operating cost and included in the “Loss before following”

The above reclassification had no impact on the net loss and total comprehensive loss reported in Q1, Q2 and Q3 2020 respectively.

(e) *Use of management estimates, judgments and measurement uncertainty*

The preparation of these financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts. Such estimates primarily relate to unsettled transactions and events. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenues, and expenses.

Management uses various factors as the basis for these judgments and estimates.

The critical judgments and significant estimates in applying accounting policies that have the most significant effect on the amounts recognized in the condensed consolidated interim financial statements are outlined in Note 2 of the last annual financial statements. There have been no significant changes in the Company’s judgments and estimates applied during the nine months ended August 31, 2021.

COVID-19 estimation uncertainty

In March 2020, the World Health Organization recognized the outbreak of COVID-19 as a global pandemic. Government measures to limit the spread of COVID-19, including the closure of non-essential businesses, did not materially impact the Company’s operations during the nine months ended August 31, 2021. The production and sale of cannabis have been recognized as essential services in Canada and across Europe. Due to the rapid developments and uncertainty surrounding COVID-19, it is not possible to predict the impact that COVID-19 will have on the Company’s business, financial position and operating results in the future. Additionally, it is possible that estimates in the Company’s condensed consolidated interim financial statements will change in the near term as a result of COVID-19. The Company is closely monitoring the impact of the pandemic on all aspects of its business.

3. Standards adopted and not yet adopted

(a) *New standards and interpretations not yet adopted*

The amended standards and interpretations including the Interest Rate Benchmark

Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16), COVID-19-Related Rent Concessions (Amendment to IFRS 16), Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16), Amendments to References to Conceptual Framework in IFRS Standards, Definition of Material (Amendments to IAS 1 and IAS 8), Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7), the amendments to IAS 1: Classification of Liabilities as Current or Non-current on the Company’s condensed consolidated interim financial statements and the Conceptual Framework Amendments to IFRS 3: Definition of a Business, are not expected to have significant impact on the Company’s condensed consolidated interim financial statements.

4. Operating segments

Segmented information

In addition to the corporate segment, the operating segments of the Company are known as Lifeist Vapes (formerly Namaste Vapes), Australian Vaporizers, CannMart Inc., CannMart Marketplace Inc., and CannMart Labs Inc. (together referred to as the “CannMart”), CannMart MD, (formerly Namaste MD Inc.) and Findify. In determining the operating segments, management considered the product mix as well as the geographical segments that the business units sell under.

Disclosure by segment pertaining to income statement transactions are for the three months ended August 31, 2021 and August 31, 2020, while asset and liability balances as at August 31, 2021 and November 30, 2020 were as follows:

Three months ended	Lifeist Vapes	Australian Vaporizers	CannMart	CannMart MD	Findify	Corporate & Other	Total
Q3 2021:							
Revenue	\$	\$	\$	\$	\$	\$	\$
Net segment revenue	406,741	1,817,597	3,126,754	72,159	416,342	-	5,839,593
Intersegment revenue	-	-	-	(40,320)	(11,523)	-	(51,843)
External revenue	406,741	1,817,597	3,126,754	31,839	404,819	-	5,787,750
Depreciation and amortization	80,081	10,778	301,634	21,379	81,054	40,813	535,739
Income tax expense	-	106,369	-	-	-	-	106,369
Net loss	(615,067)	83,343	(3,094,096)	(75,767)	(391,619)	(1,960,216)	(6,053,422)
Total assets	2,703,926	4,789,477	14,971,893	103,438	1,585,763	17,066,648	41,221,145
Total liabilities	1,624,499	784,949	2,739,518	7,620	396,650	5,776,967	11,330,203

Notes to Condensed Consolidated Interim Financial Statements

For the three and nine months ended August 31, 2021

(Expressed in Canadian dollars, unless otherwise noted)

Three months ended	Lifeist Vapes	Australian Vaporizers	CannMart	CannMart MD	Findify	Corporate & Other	Total
Q3 2020:							
Revenue	\$	\$	\$	\$	\$	\$	\$
Net segment revenue	1,090,142	1,846,322	2,331,685	77,207	379,770	-	5,725,126
Intersegment revenue	-	-	-	(30,688)	(9,591)	-	(40,279)
External revenue	1,090,142	1,846,322	2,331,685	46,519	370,179	-	5,684,847
Depreciation and amortization	82,410	10,852	117,844	93,991	80,184	68,381	453,662
Income tax expense	-	117,934	-	-	(121,223)	48,598	45,309
Net loss	(1,968,430)	(1,191,705)	(3,548,890)	(238,694)	(358,144)	(527,632)	(7,833,495)

Disclosure by segment pertaining to income statement transactions are for the nine months ended August 31, 2021 and August 31, 2020, while asset and liability balances are as at August 31, 2021 and November 30, 2020 were as follows:

Nine months ended	Lifeist Vapes	Australian Vaporizers	CannMart	CannMart MD	Findify	Corporate & Other	Total
Q3 YTD 2021:							
Revenue	\$	\$	\$	\$	\$	\$	\$
Net segment revenue	1,980,996	4,771,008	8,504,513	263,722	1,241,389	-	16,761,628
Intersegment revenue	-	-	-	(145,048)	(38,317)	-	(183,365)
External revenue	1,980,996	4,771,008	8,504,513	118,674	1,203,072	-	16,578,263
Depreciation and amortization	239,704	33,036	686,211	136,205	189,126	231,326	1,515,608
Income tax expense	-	120,125	-	-	1,663	79,500	201,288
Net loss	(1,210,923)	280,296	(10,194,959)	(464,533)	(1,032,360)	(7,182,027)	(19,804,506)
Total assets	2,703,926	4,789,477	14,971,893	103,438	1,585,763	17,066,648	41,221,145
Total liabilities	1,624,499	784,949	2,739,518	7,620	396,650	5,776,967	11,330,203

Nine months ended	Lifeist Vapes	Australian Vaporizers	CannMart	CannMart MD	Findify	Corporate & Other	Total
Q3 YTD 2020:							
Revenue	\$	\$	\$	\$	\$	\$	\$
Net segment revenue	6,484,690	4,274,172	5,998,547	256,827	1,086,518	-	18,100,754
Intersegment revenue	-	(47,709)	-	(107,944)	(26,787)	-	(182,440)
External revenue	6,484,690	4,226,463	5,998,547	148,883	1,059,731	-	17,918,314
Depreciation and amortization	249,239	304,988	397,218	280,664	239,675	214,347	1,686,131
Impairment loss on loans receivable	-	-	-	-	-	322,887	322,887
Impairment loss on Investment in assoic	-	-	-	-	-	1,016,127	1,016,127
Income tax expense	-	113,982	-	-	(154,397)	118,472	78,057
Net loss	(4,018,799)	(1,899,407)	(11,509,558)	(822,027)	(1,042,108)	(775,633)	(20,067,532)
Total assets	4,523,143	6,071,189	19,304,944	427,917	1,752,978	14,401,065	46,481,236
Total liabilities	1,688,866	462,131	3,639,547	45,989	285,539	4,064,193	10,186,265

Included in net revenue arising from the CannMart operating segment for the three months ended August 31, 2021 are net revenues of \$2,544,329 (three months ended August 31, 2020: \$1,231,663) which arose from sales to the Company's major wholesale customers. Included in net revenue arising from the CannMart operating segment for the nine months ended August 31, 2021 are net revenues of \$7,029,046 (nine months ended August 31, 2020: \$2,431,992) which arose from sales to the Company's major wholesale customers. No other single customer contributed 10 per cent or

more to the Company's net revenue during the three and nine months ended August 31, 2021.

Furthermore, corporate costs mainly consisting of head office expenditures allocated from the corporate & other segment to the other operating segments for three months ended August 31, 2021 were \$477,203 (three months ended August 31, 2020: \$4,574,752) and for nine months ended August 31, 2021 were \$2,222,959 (nine months ended August 31, 2020: \$10,155,501).

Geographical information

The Company markets its products and services globally. Net revenue is attributed to the following regions based on the location of customers:

	Three months ended		Nine months ended	
	August 31, 2021	August 31, 2020	August 31, 2021	August 31, 2020
North America	\$ 3,392,940	\$ 2,790,905	\$ 9,309,676	\$ 8,933,234
Australia	1,863,966	1,882,474	4,944,373	4,336,237
Europe	507,005	1,011,468	2,279,539	4,647,283
Other	23,839	-	44,675	1,560
	\$ 5,787,750	\$ 5,684,847	\$ 16,578,263	\$ 17,918,314

5. Trade and other receivables

Trade and other receivables as at August 31, 2021 and November 30, 2020 were as follows:

	August 31, 2021	November 30, 2020
Trade receivables	\$ 3,718,993	\$ 3,520,677
Sales tax receivable	225,193	1,464,946
Other receivables	568,298	613,767
Income tax receivable	223,090	80,146
	\$ 4,735,574	\$ 5,679,536

Information about the Company's exposure to credit and market risks is included in Note 22 (b (i), (ii)). The allowance for uncollectible trade receivables is determined principally on the basis of past collection experience as well as consideration of current economic conditions and changes in our customer collection trends. Most of the Company's trade receivables are less than 60 days old. The Company's allowance for uncollectable trade receivables as at August 31, 2021 was \$897,977

(November 30, 2020: \$730,775).

6. Inventories

Inventories as at August 31, 2021 and November 30, 2020 were as follows:

	August 31, 2021	November 30, 2020
Hardware	\$ 2,024,378	\$ 3,104,288
Cannabis	3,681,557	5,431,185
Total inventories, gross	\$ 5,705,935	\$ 8,535,473
Provision for inventories-hardware	\$ (537,434)	\$ (300,826)
Provision for inventories-cannabis	(315,956)	(106,313)
Total inventories, net	\$ 4,852,545	\$ 8,128,334

The cost of inventories recognized as an expense and included in cost of goods sold for the three and nine months ended August 31, 2021 was \$3,535,613 and \$10,029,597 respectively (August 31, 2020: \$4,173,497 and \$12,985,522 respectively).

During the three and nine months ended August 31, 2021 the Company recorded an inventory write down of \$432,710 and \$1,517,903 respectively (2020: \$135,403 and \$380,311 respectively).

7. Investment in associates

The following is the reconciliation of the cost of investments to the carrying amount as at November 30, 2020, with no further changes to the carrying amount as at August 31, 2021:

	Choklat Inc. (i)	Pineapple Express Delivery Inc.	Total
Cost of investments in associates	\$ 1,750,000	\$ 4,116,687	\$ 5,866,687
Share of associates' loss, net of tax	(733,873)	(1,198,369)	(1,932,242)
Impairment on investment in associates	(1,016,127)	(2,918,318)	(3,934,445)
Balance at November 30, 2020	\$ -	\$ -	\$ -

(i) During the three and nine months ended August 31, 2020, an impairment loss on the investment in Choklat was recognized in the amount of \$437,860 and \$1,016,127, respectively. This impairment loss was recognized based on management's assessment of

Choklat's working capital and operational constraints.

8. Portfolio investments

Portfolio investments as at August 31, 2021 and November 30, 2020 were as follows:

	Notes	August 31, 2021	November 30, 2020
Equity investments – at FVOCI	(a)	\$ 801,304	\$ 207,092
Equity investments – at FVTPL	(a)	91,950	674,300
Derivatives – at FVTPL	(b)	2,622	639
		\$ 895,876	\$ 882,031

(a) Equity investments designated at FVOCI comprise of investments in equity shares of listed and non-listed companies. These investments were irrevocably designated at fair value through OCI as the Company considers these investments to be strategic in nature. Equity investments designated at FVTPL comprise of investments in equity shares of a listed company. These investments were designated at fair value through profit or loss as there is an established plan for these shares.

Details of equity investments as at August 31, 2021 and November 30, 2020 were as follows:

	Number of shares acquired	Cost	Fair Value	Unrealized (gain)/loss	Fair Value at Disposal
August 31, 2021:					
<i>Equity Instruments - FVOCI</i>					
Atlas Biotechnologies Inc.	200,000	\$ 200,000	\$ 56,000	\$ (144,000)	\$ -
Inolife R&D Inc.	2,000,000	200,000	700,000	500,000	-
Kief Cannabis Company Ltd.	46,729	250,000	13,084	(236,916)	-
Lovelabs.com Inc.	8,243	32,220	32,220	-	-
The Green Organic Dutchman Holdings Ltd.	-	-	-	-	5,277
YPB Group Ltd.	3,800,000	130,000	-	(130,000)	-
<i>Equity Instruments - FVTPL</i>					
PeakBirch Logic Inc. (formerly Lifted Innovations Inc.)	3,065,000	100,000	91,950	(8,050)	-
Pineapple Express Delivery Inc.	11,883,524	-	-	-	-
		912,220	893,254	(18,966)	5,277

Notes to Condensed Consolidated Interim Financial Statements

For the three and nine months ended August 31, 2021

(Expressed in Canadian dollars, unless otherwise noted)

	Number of shares acquired	Cost	Fair Value	Unrealized (gain)/loss	Fair Value at Disposal
November 30, 2020:					
<i>Equity Instruments - FVOCI</i>					
Atlas Biotechnologies Inc.	200,000	\$ 200,000	\$ 56,000	\$ 144,000	\$ -
Cannbit Pharmaceutical Ltd.	-	-	-	(289,276)	753,991
Inolife R&D Inc.	2,000,000	200,000	100,000	100,000	-
Kief Cannabis Company Ltd.	46,729	250,000	13,085	236,915	-
Lovelabs.com Inc.	8,243	32,220	32,220	-	-
RMMI Corp.	-	-	-	226,360	23,640
The Green Organic Dutchman Holdings Ltd.	17,021	62,130	5,787	86,405	2,790
YPB Group Ltd.	3,800,000	130,000	-	130,000	-
<i>Equity Instruments - FVTPL</i>					
PeakBirch Logic Inc. (formerly Lifted Innovations Inc.)	3,065,000	100,000	674,300	(574,300)	-
Pineapple Express Delivery Inc.	11,883,524	-	-	-	-
		974,350	881,392	60,104	780,421

(b) Details of derivatives as at August 31, 2021 and November 30, 2020 were as follows:

	August 31, 2021	November 30, 2020
Portfolio investments - options	\$ 2,622	\$ 605
Portfolio investments - warrants	-	34
	\$ 2,622	\$ 639

(c) The following is the movement schedule for equity investments and derivatives:

	Equity investments - FVOCI	Equity investments - FVTPL	Derivatives	Total
Balance at November 30, 2019	\$ 3,358,251	\$ -	\$ 6,861	\$ 3,365,112
Purchases	-	100,000	-	100,000
Unrealized (loss) gain	(2,370,738)	574,300	(6,222)	(1,802,660)
Disposition	(780,421)	-	-	(780,421)
Balance at November 30, 2020	\$ 207,092	\$ 674,300	\$ 639	\$ 882,031
Unrealized (loss) gain	599,489	(582,350)	1,983	19,122
Disposition	(5,277)	-	-	(5,277)
Balance at August 31, 2021	\$ 801,304	\$ 91,950	\$ 2,622	\$ 895,876

9. Property and equipment

	Right of use of Asset	Leasehold improvements	Computer equipment	Furniture & equipment	Total
Cost:	\$	\$	\$	\$	
Balance at November 30, 2020	931,674	3,854,644	554,205	1,147,170	6,487,693
Additions	-	172,726	63,515	81,090	317,331
Disposals	(554,188)	-	-	(160,079)	(714,267)
Translation adjustment	-	(93,338)	(20,680)	100,606	(13,412)
Balance at August 31, 2021	377,486	3,934,032	597,040	1,168,787	6,077,345
Accumulated depreciation:	\$	\$	\$	\$	
Balance at November 30, 2020	218,234	576,767	367,922	353,043	1,515,966
Depreciation	135,342	388,067	119,218	159,379	802,006
Disposals	(169,991)	-	-	(40,020)	(210,011)
Translation adjustment	-	(3)	(5,379)	3,257	(2,125)
Balance at August 31, 2021	183,585	964,831	481,761	475,659	2,105,836
Net book value:					
Balance at November 30, 2020	713,440	3,277,877	186,283	794,127	4,971,727
Balance at August 31, 2021	193,901	2,969,201	115,279	693,128	3,971,509

Included in Leasehold improvements is Construction work in progress of \$Nil (November 30, 2020: \$2,779,435), which includes building improvements, site preparation, engineering and electrical work. The Company reclassified the Right of use of Asset relating to the sublease of the head office space located at 365 Bloor Street East, Toronto, suite 2001 from Property and Equipment to Accounts Receivable.

Notes to Condensed Consolidated Interim Financial Statements

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(Expressed in Canadian dollars, unless otherwise noted)

10. Intangible assets

	Intellectual properties	License	Customer list	Brand names	Computer software & domains	Total
Cost:	\$	\$	\$	\$	\$	\$
Balance at November 30, 2020	2,226,800	3,613,208	3,049,517	331,313	2,455,969	11,676,807
Translation adjustment	-	(4,616)	4,616	-	(28,124)	(28,124)
Balance at August 31, 2021	2,226,800	3,608,592	3,054,133	331,313	2,427,845	11,648,683
Accumulated amortization:	\$	\$	\$	\$	\$	\$
Balance at November 30, 2020	807,923	22,000	2,970,622	-	1,778,145	5,578,690
Amortization	243,160	-	59,851	-	410,591	713,602
Translation adjustment	-	-	-	-	(27,153)	(27,153)
Balance at August 31, 2021	1,051,083	22,000	3,030,473	-	2,161,583	6,265,139
Net book value:						
Balance at November 30, 2020	1,418,877	3,591,208	78,895	331,313	677,824	6,098,116
Balance at August 31, 2021	1,175,717	3,586,592	23,660	331,313	266,262	5,383,544

11. Goodwill

The Company's goodwill was generated through various acquisitions and details are as follows:

	Australian Vaporizers	Lifeist Vapes	Total
	\$	\$	\$
Balance at November 30, 2018	6,128,520	9,152,334	15,280,854
Goodwill allocation	538,571	(538,571)	-
Impairment	(6,000,000)	(8,613,763)	(14,613,763)
Balance at November 30, 2019	667,091	-	667,091
Impairment	-	-	-
Balance at November 30, 2020	667,091	-	667,091
Impairment	-	-	-
Balance at August 31, 2021	667,091	-	667,091

Goodwill for each cash generating unit ("CGU") is tested for impairment annually at its designated date. The next designated date for the annual impairment test for Australian Vaporizers is August 31st, 2022.

12. Prepaid expenses and other assets

Prepaid expenses and other assets listed in the current assets section of the consolidated statement of financial position as at August 31, 2021 and November 30, 2020 were as follows:

	Notes	August 31, 2021	November 30, 2020
Prepaid expenses	(i)	\$ 698,525	\$ 1,499,361
Deposits		1,397,946	374,460
Other assets		-	6,689
		\$ 2,096,471	\$ 1,880,510

Other assets included in the non-current assets section of the consolidated statement of financial position as at August 31, 2021 and November 30, 2020 were as follows:

	Notes	August 31, 2021	November 30, 2020
Deposits		227,306	227,306
Other non-current receivables	(ii)	243,607	214,075
		\$ 470,913	\$ 441,381

(i) Prepaid expenses and deposits mainly consist of payments made for directors' and officers' liability insurance, inventory purchases, software subscriptions, and directors fees.

(ii) Other non-current receivables represent the long-term portion of receivables arising from sublease agreement for the head office space located at 365 Bloor Street East, Toronto, suite 2001, expiring on October 30, 2024. November 2020 balance relates to Brazil receivable.

	Notes	
Balance at June 1, 2021	3 (a)	\$ 369,593
Total lease payments received (principal and interest)		(30,525)
Interest income on lease receivable		4,413
Balance at August 31, 2021		\$ 343,481
Short-term portion of lease receivable		\$ 99,874
Long-term portion of lease receivable		243,607
Total lease receivable		\$ 343,481

13. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities as at August 31, 2021 and November 30, 2020 were as follows:

	August 31, 2021	November 30, 2020
Accounts payable	\$ 1,886,643	\$ 1,868,419
Accrued liabilities	6,084,899	6,235,976
Short-term portion of payable on acquisition of NCI	1,347,500	-
	\$ 7,971,542	\$ 8,104,395

Other long-term liabilities include \$539,000, incurred as a result of the Company's acquisition of the remaining non-controlling interest in its subsidiary, CannMart Labs Inc. (Note 25).

14. Deferred Revenue

Deferred revenue as at August 31, 2021 and November 30, 2020 was as follows:

	Hardware	Cannabis	Other	Total
	\$	\$	\$	\$
Balance at November 30, 2019	495,658	4,171	95,333	595,162
Additions	13,319,781	10,210,655	1,648,731	25,179,167
Revenue recognized during the year	(13,491,031)	(9,957,877)	(1,655,575)	(25,104,483)
Balance at November 30, 2020	324,408	256,949	88,489	669,846
Additions	1,186,103	933,695	1,381,813	3,501,611
Revenue recognized during the year	(1,356,910)	(1,107,190)	(1,306,185)	(3,770,285)
Balance at August 31, 2021	153,601	83,454	164,117	401,172

15. Provisions

The Company is involved in litigation, investigations or proceedings related to claims arising out of its operations and the completion of acquisitions or divestitures.

	Legacy resolutions (i)	Class action related (i)	and other costs (ii)	Total
	\$	\$	\$	\$
Balance at November 30, 2019	1,598,993	664,750	1,701,007	3,964,750
Net increase (decrease)	(940,403)	(664,750)	-	(1,605,153)
Change in provisions	-	-	(1,701,007)	(1,701,007)
Balance at November 30, 2020	658,590	-	-	658,590
Net increase (decrease)	(13,205)	-	-	(13,205)
Change in provisions	(191,206)	-	-	(191,206)
Balance at August 31, 2021	454,179	-	-	454,179

16. Lease liabilities

The following is the continuity of lease liabilities as at and for the nine months ended August 31, 2021:

	Notes	
Balance at November 30, 2020	3 (a)	\$ 755,316
Total lease payments (principal and interest)		(210,144)
Interest expense on lease liabilities		62,182
Balance at August 31, 2021		\$ 607,354
Short-term portion of lease liabilities		\$ 196,215
Long-term portion of lease liabilities		411,139
Total lease liabilities		\$ 607,354

17. Share capital*(a) Authorized share capital*

The Company is authorized to issue an unlimited number of common shares with no par value.

As at August 31, 2021 the Company had 399,013,021 (November 30, 2020: 323,954,483) common shares issued and outstanding.

(b) Issuance of shares

For the nine months ended August 31, 2021, the Company issued 65,780,000 common shares as part of its public offering, for the total net cash proceeds of \$21,197,085, and 9,278,538 common shares in the acquisition of CannMart Labs, increasing its ownership interest from 51% to 100% (Note 25).

(c) Share purchase warrants

The following is a summary of the changes in the Company's share purchase warrants for the nine months ended August 31, 2021 and August 31, 2020:

	August 31, 2021		August 31, 2020	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Outstanding, beginning of period (i)	13,922,500	\$ 3.14	30,225,658	\$ 3.15
Granted in private placement (ii)	65,780,000	0.47	-	-
Granted to brokers (iii)	3,946,800	0.35	-	-
Exercised	-	-	-	-
Forfeited	-	-	(16,303,158)	3.13
Outstanding, end of period	83,649,300	\$ 0.91	13,922,500	\$ 3.14

(i) Included in outstanding balance are 1,035,000 broker warrants that allow the broker to acquire units at a value of \$3.00 per unit. These units are comprised of one share and 3/4 warrant to purchase common shares at \$3.15.

The assumptions used for the calculation of the fair value of the warrants were as follows:

Risk free rate	1.46%
Expected life	2 years
Expected volatility	125%
Expected dividend per share	Nil

(ii) Issued as part of the public offering are 65,780,000 warrants that allow the holders to acquire units at a value of \$0.47 per unit. These units are comprised of one share and one warrant to

purchase common shares at \$0.47.

The assumptions used for the calculation of the fair value of the warrants were as follows:

Risk free rate	1.17%
Expected life	3 years
Expected volatility	40%
Expected dividend per share	Nil

At the time of the grant, volatility was calculated using the historical volatility of other companies which the Company considered comparable that had trading and volatility history. The expected life in years represents the time that the warrants granted are expected to be outstanding. The risk-free rate is based on zero coupon Canada government bonds with a remaining term equal to the expected life of the warrants.

(iii) Issued as part of the public offering are 3,946,800 broker warrants that allow the broker to acquire units at a value of \$0.35 per unit. These units are comprised of one share and one warrant to purchase common shares at \$0.35.

The assumptions used for the calculation of the fair value of the warrants were as follows:

Risk free rate	1.17%
Expected life	2 years
Expected volatility	40%
Expected dividend per share	Nil

At the time of the grant, volatility was calculated using the historical volatility of other companies which the Company considered comparable that had trading and volatility history. The expected life in years represents the time that the warrants granted are expected to be outstanding. The risk-free rate is based on zero coupon Canada government bonds with a remaining term equal to the expected life of the warrants.

(d) Stock options

The Company has established a stock option plan (the “Plan”) for officers and employees. Under the Plan, the exercise price of each option is determined by the Board. The aggregate number of common shares issuable pursuant to options granted under the Plan is being less than 10% of the Company's issued common shares under the Plan. The stakeholders approve the

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plan, and the Board approves the execution of granting of options and their vesting and cancellation provisions.

The following is a summary of the movement in the Plan for the nine months ended August 31, 2021 and August 31, 2020:

	August 31, 2021		August 31, 2020	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding, beginning of period	16,435,205	\$ 0.95	10,857,621	\$ 1.75
Granted	2,297,439	0.23	8,252,132	0.33
Exercised	-	-	(5,000)	0.26
Forfeited	(708,333)	0.48	(2,430,000)	2.03
Outstanding, end of period	18,024,311	\$ 0.88	16,674,753	\$ 0.93
Vested and exercisable, end of period	13,022,333	\$ 1.10	9,735,421	\$ 1.36

For the nine months ended August 31, 2021, the Company recognized share-based compensation expense of \$889,252 (2020: \$601,030). The weighted average share price of options exercised was \$nil (2020: \$0.63).

The following table summarizes information regarding stock options outstanding by exercise price as at August 31, 2021:

	Number of options outstanding	Weighted average remaining contractual life in years	Weighted average exercise price
\$0.01 – \$1.00	11,589,194	1.96	\$ 0.32
\$1.01 – \$2.00	4,504,117	0.55	1.39
\$2.01 – \$4.00	1,931,000	0.16	3.03
Total options outstanding	18,024,311	1.42	0.88

The weighted average assumptions used for the calculation of the fair value of the options granted for the nine months ended August 31, 2021 and August 31, 2020 were as follows:

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(Expressed in Canadian dollars, unless otherwise noted)

	August 31, 2021	August 31, 2020
Black Scholes fair value	\$ 0.17	\$ 0.20
Share price	\$ 0.24	\$ 0.34
Exercise price	\$ 0.23	\$ 0.33
Expected volatility	111.80%	108.74%
Expected life	3.41	2.49 years
Expected dividend per share	Nil	Nil
Risk free rate	0.40%	0.31%
Forfeiture rate	11.82%	12.31%

The Company calculates volatility using its own historical trading prices. The expected life in years represents the time that the options granted are expected to be outstanding. The risk-free rate is based on zero coupon Canada government bonds with a remaining term equal to the expected life of the options.

18. Disaggregation of revenue

In the following table, net revenue is presented for the three months ended August 31, 2021 and August 31, 2020, and disaggregated by major products, service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Company's reportable operating segments.

Three months ended	Notes	Lifeist Vapes	Australian Vaporizers	CannMart	CannMart MD	Findify	Total
August 31, 2021							
<u>Major goods/service lines</u>							
Hardware	(i)	\$ 406,741	\$ 1,817,597	\$ -	\$ -	\$ -	2,224,338
Cannabis, net of excise taxes	(i)	-	-	3,111,191	-	-	3,111,191
AI services	(ii)	-	-	-	-	404,819	404,819
Referral fees	(ii)	-	-	-	31,839	-	31,839
Processing fees	(iii)	-	-	327	-	-	327
Sales commissions	(iii)	-	-	15,236	-	-	15,236
		\$ 406,741	\$ 1,817,597	\$ 3,126,754	\$ 31,839	\$ 404,819	\$ 5,787,750

LIFEIST WELLNESS INC. (formerly Namaste Technologies Inc.)**LIFEIST_**

Notes to Condensed Consolidated Interim Financial Statements

For the three and nine months ended August 31, 2021

(Expressed in Canadian dollars, unless otherwise noted)

Three months ended	Notes	Lifeist Vapes	Australian Vaporizers	CannMart	CannMart MD	Findify	Total
August 31, 2020							
<u>Major goods/service lines</u>							
Hardware	(i)	\$ 1,090,142	\$ 1,846,322	\$ -	\$ -	\$ -	\$ 2,936,464
Cannabis, net of excise taxes	(i)	-	-	2,331,685	-	-	2,331,685
AI services	(ii)	-	-	-	-	370,179	370,179
Referral fees	(ii)	-	-	-	46,519	-	46,519
		\$ 1,090,142	\$ 1,846,322	\$ 2,331,685	\$ 46,519	\$ 370,179	\$ 5,684,847

*Timing of revenue recognition:**(i) Goods transferred at a point in time**(ii) Services performed over period of time**(iii) Services performed at a point in time*

In the following table, revenue is presented for the nine months ended August 31, 2021 and August 31, 2020, and disaggregated by major products, service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable operating segment.

Nine months ended	Notes	Lifeist Vapes	Australian Vaporizers	CannMart	CannMart MD	Findify	Total
August 31, 2021							
<u>Major goods/service lines</u>							
Hardware	(i)	\$ 1,980,996	\$ 4,771,008	\$ -	\$ -	\$ -	\$ 6,752,004
Cannabis, net of excise taxes	(i)	-	-	8,467,453	-	-	8,467,453
AI services	(ii)	-	-	-	-	1,203,072	1,203,072
Referral fees	(ii)	-	-	-	118,674	-	118,674
Processing fees	(iii)	-	-	3,764	-	-	3,764
Sales commissions	(iii)	-	-	33,296	-	-	33,296
		\$ 1,980,996	\$ 4,771,008	\$ 8,504,513	\$ 118,674	\$ 1,203,072	\$ 16,578,263

Nine months ended	Notes	Lifeist Vapes	Australian Vaporizers	CannMart	CannMart MD	Findify	Total
August 31, 2020							
<u>Major goods/service lines</u>							
Hardware	(i)	\$ 6,484,690	\$ 4,226,463	\$ 65,979	\$ -	\$ -	\$ 10,777,132
Cannabis, net of excise taxes	(i)	-	-	5,851,949	-	-	5,851,949
AI services	(ii)	-	-	-	-	1,059,731	1,059,731
Referral fees	(ii)	-	-	-	148,883	-	148,883
Processing fees	(iii)	-	-	58,301	-	-	58,301
Sales commissions	(iii)	-	-	22,318	-	-	22,318
		\$ 6,484,690	\$ 4,226,463	\$ 5,998,547	\$ 148,883	\$ 1,059,731	\$ 17,918,314

*Timing of revenue recognition:**(i) Goods transferred at a point in time**(ii) Services performed over period of time**(iii) Services performed at a point in time*

19. Restructuring and other (reversals) costs

Restructuring and other (reversals) costs for the three and nine months ended August 31, 2021 and August 31, 2020 were as follows:

Three months ended	August 31, 2021		August 31, 2020	
Legacy resolutions (reversals) costs	\$	(61,556)	\$	-
Restructuring (reversals) costs		-		-
	\$	(61,556)	\$	-

Nine months ended	August 31, 2021		August 31, 2020	
Legacy resolutions (reversals) costs	\$	(191,206)	\$	-
Restructuring (reversals) costs		-		(1,300,000)
	\$	(191,206)	\$	(1,300,000)

20. Other expense (income)

Other expense (income) income includes unrealized loss on equity investments at FVTPL of \$91,950 for the three months ended August 31, 2021 and \$582,861 for the nine months ended August 31, 2021.

21. Income taxes

(a) The Company's income tax expense (recovery) for the three and nine months ended August 31, 2021 and August 31, 2020 comprises of the following:

	Three months ended		Nine months ended	
	August 31, 2021	August 31, 2020	August 31, 2021	August 31, 2020
Current income tax expense	\$ (46,998)	\$ (117,934)	\$ (164,407)	\$ (195,724)
Deferred income tax expense (recovery)	(59,371)	72,625	(36,881)	117,667
	\$ (106,369)	\$ (45,309)	\$ (201,288)	\$ (78,057)

(b) The following table reflects the changes in deferred income tax liability as at August 31, 2021 and November 30, 2020:

	August 31, 2021	November 30, 2020
Balance at beginning of the period	\$ (50,398)	\$ (276,534)
Deferred income tax (expense) recovery	(24,036)	(90,842)
Deferred income tax recorded through OCI	64,978	314,126
Foreign currency translation	-	2,852
Balance at end of the period	\$ (9,456)	\$ (50,398)

22. Financial instruments and associated risks

(a) Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

The Company measures fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs that are observable other than quoted prices included in Level 1;
- Level 3 includes inputs that are not based on observable market data.

The following is a summary of financial assets and liabilities measured at fair value based on various level of inputs:

	Level 1	Level 2	Level 3	Total
Financial assets:				
Convertible loan receivable	\$ -	-	201,215	\$ 201,215
Equity investments	91,950	56,000	745,304	893,254
Derivatives	-	2,622	-	2,622
	\$ 91,950	\$ 58,622	\$ 946,519	\$ 1,097,091

Following is the summary of other financial instruments, not measured at fair value, as at August 31, 2021 and November 30, 2020, for which fair value is disclosed:

	Financial assets at amortized cost		Financial liabilities at amortized cost		Total
2021					
<i>Financial assets:</i>					
Cash and cash equivalents	\$	17,946,407	\$	-	\$ 17,946,407
Trade and other receivables		4,735,574		-	4,735,574
Other assets		470,913		-	470,913
Balance at August 31, 2021		23,152,894		-	23,152,894
<i>Financial liabilities:</i>					
Accounts payable and accrued liabilities		-		9,319,042	9,319,042
Balance at August 31, 2021	\$	-	\$	9,319,042	\$ 9,319,042

The carrying values of all the Company's financial instruments approximate their fair values as at August 31, 2021 due to their short-term nature.

(b) *Risk management*

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

(i) *Market risk*

Market risk is the risk that future changes in market conditions such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

a. *Currency risk*

The Company is party to financial instruments or enters into transactions that are denominated in currencies other than its functional currency. Consequently, the Company is exposed to translation risk in which other foreign currencies change in a manner that has an adverse effect on the value of the Company's assets or liabilities denominated in its operational currency. This risk is mitigated by timely payment of creditors and monitoring of foreign exchange fluctuations by management. The Company does not hedge against movements in foreign currency exchange rates.

A 5% change in the foreign currencies against functional currencies, assuming that all other variables are constant, would have increased or decreased net loss by \$55,096 (August 31,

2020: \$227,941) as a result of the revaluation on foreign currency denominated financial assets and liabilities.

b. Interest rate risk

Interest rate risk refers to the risk of loss due to adverse movements in interest rates. Interest rate risk consists of a) the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, and b) to the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities. Interest rate risk on the loan receivable is limited due to the fact that it has a fixed rate of interest.

c. Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices, other than those arising from interest rate risk or currency risk. The Company's exposure to other price risks relates to fair value of its equity investments and derivatives.

If the fair value of financial assets at FVTPL were to increase or decrease by 5%, net loss would have increased or decreased by \$4,703 (August 31, 2020: \$9,995).

If the fair value of financial assets at FVOCI were to increase or decrease by 5%, OCI would have changed by \$40,091 (August 31, 2020: \$124,034).

(ii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from cash and cash equivalents, trade and other receivables, loans receivable, deposits and other assets.

The Company is moderately exposed to credit risk from its cash and cash equivalents, trade and other receivables and loans receivable. The carrying amount of these financial assets represents the maximum credit exposure.

Cash and cash equivalents, deposits and other assets

Cash and cash equivalents, deposits and other assets are held with reputable financial

institutions and business partners which are closely monitored by management.

Trade and other receivables

Trade receivables generated from online sales are held in reputable merchant accounts and are received within a short period of time. Credit risk is generally limited to trade receivables from government bodies, which have low default risk.

Credit risk for non-government wholesale customers is assessed on a case-by-case basis. When estimating Expected Credit Loss ("ECL") the Company analyzes both quantitative and qualitative data. Typically, ECL increases with the age of the receivable. A receivable is considered in default when the debtor is unlikely to pay its credit obligations in full and the Company has limited recourse.

As of August 31, 2021, the Company recognized a \$985,477 provision for expected credit losses (November 30, 2020: \$1,547,645).

Loans receivables

Loans receivables consist of promissory notes granted to the Company's investees, Pineapple and Choklat to finance their working capital and other requirements. Their relative credit risks are assessed by management through the credit evaluation process. The Company monitors changes in the credit risk of loans receivable based on data that is determined to be predictive of the risk of loss, including but not limited to financial information, management accounts and cash flow projections. During fiscal 2020 the loan advanced to Choklat for \$322,887 was fully impaired due to the debtor's working capital constraints. No additional impairment allowance was recognised in the nine months ended August 31, 2021 in respect of loan advances to Pineapple. In Q3 2020, a controlling interest of Pineapple was acquired by World Class Extractions Inc. ("WCE"). As part of the transaction, Lifeist would be able to convert its outstanding debt into shares of WCE on March 31, 2021. In Q3 2021 the maturity date was extended to September 30, 2021.

(iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have the sufficient liquidity to meet its liabilities when they are due, without incurring unacceptable losses or risking damage to the Company's reputation. On August 18, 2020, the Company filed a base shelf prospectus to maintain financial flexibility to access capital quickly, when available and needed. In January 2021 the Company closed a bought deal

public offering for total net proceeds of \$21,197,085, see Note 17 (b) for details.

23. Additional disclosures for statement of cashflow

(a) Changes in non-cash working capital

Changes in non-cash working capital for the nine months ended August 31, 2021 and August 31, 2020 were as follows:

	Nine months ended	
	August 31, 2021	August 31, 2020
Decrease (increase) in trade and other receivables	\$ 1,276,524	\$ (2,290,147)
Decrease (increase) in inventories	2,829,538	(3,074,975)
Decrease (increase) in prepaid expenses and other assets	(244,523)	811,635
Decrease (increase) in accounts payable and accrued liabilities	(70,671)	759,743
Increase (decrease) in provisions	(13,205)	(1,456,885)
Increase (decrease) in deferred revenue	(268,674)	(310,408)
	\$ 3,508,989	\$ (5,561,037)

These amounts do not include movements of impairment allowances for trade and other receivables, provisions for inventories and prepaid and other assets, and unused provisions related to litigation as disclosed in the cashflow statement.

(b) Additional information

Additional information for the nine months ended August 31, 2021 and August 31, 2020 were as follows:

	Nine months ended	
	August 31, 2021	August 31, 2020
Income tax (paid) refunds	\$ -	\$ (8,792)
Interest paid on accounts payable and accrued liabilities	-	(565)
Interest received (paid)	85,223	241,225
	\$ 85,223	\$ 231,868

24. Related party balances and transactions

Related parties include key management personnel and the entities controlled or directed by key management personnel. Key management personnel include Board of Directors and key executives of the Company together with certain individuals responsible for outsourced.

Related party balances as at August 31, 2021 and November 30, 2020 are as follows:

	August 31, 2021	November 30, 2020
<i>Related party balances</i>		
Trade and other receivables	\$ -	\$ 24,792

Related party transactions for the nine months ended August 31, 2021 and August 31, 2020 are as follows:

	Three months ended		Nine months ended	
	August 31, 2021	August 31, 2020	August 31, 2021	August 31, 2020
<i>Related Party Transactions</i>				
Key management personnel compensation (ii)	\$ 375,667	\$ 202,500	1,055,203	\$ 850,574
Directors fees	165,667	185,475	525,621	579,485
Stock options (iii)	-	897,804	-	935,451
Shipping and delivery services (iv)	-	18,743	-	129,312

(i) The key management personnel compensation includes salaries and bonuses, benefits and incentives.

(ii) The key management personnel compensation includes the following stock options:

Grant date	Number of options	Exercise price	Fair Value	Vesting period	Expiry date
		\$	\$	3 years	
December 7, 2019	200,000	0.33	0.19	Immediate	December 7, 2024
July 2, 2020	1,332,487	0.34	0.21	year	July 1, 2024
July 2, 2020	304,569	0.34	0.21	3 years	July 1, 2024
July 2, 2020	2,900,000	0.35	0.21	3 years	July 1, 2024
August 17, 2020	125,000	0.34	0.21	3 years	August 24, 2024
May 6, 2021	190,000	0.25	0.16	3 years	May 5, 2025
June 14, 2021	230,000	0.25	0.15	3 years	June 13, 2025

(iii) The Company received delivery services from one of its associates. The amount disclosed in the table above represents delivery services received up to March 31, 2020. Beginning April 1, 2020 Pineapple is not a related party as the Company no longer holds significant influence in Pineapple (Note 7).

25. Acquisition of Non-Controlling Interest

On November 17, 2020 the Company signed a Share Purchase Agreement (SPA) to buy the remaining 49% Non-controlling interest in CannMart Labs Inc., effective December 2, 2020, for total consideration of \$4,034,000. The difference between the consideration and carrying amount of non-controlling interest (NCI) in the amount of \$3,769,219 has been included in Other Reserves. Consideration was paid in the Company's shares as follows: \$1,608,500 of the shares on December 2, 2020, and the remaining \$2,425,500 of shares to be paid in increments of \$269,500 of shares over the course of nine consecutive quarters, beginning on the fiscal quarter ending February 28, 2021. Further, the sellers shall be entitled to additional payments in the maximum amount of \$17,427,680 calculated in accordance with the Gross Margin Principles, which will be conditional upon meeting the financial targets as set out in the Earn-Out Schedule of the SPA. These additional payments are accounted for separately from the business combination. As of August 31, 2021, the Company has issued 9,278,518 shares (\$2,147,500), with the remainder of the balance payable of \$539,000 and \$1,347,500 included in the long-term and current liabilities respectively. The remaining shares to be issued have been classified as a financial liability as the number of shares to be issued by the Company is variable.

26. Subsequent Events

Effective September 9, 2021, the Company confirmed corporate name changes for the following entities:

Previous Legal Name	Current Legal Name
Nameste Technologies Inc.	Lifeist Wellness Inc.
Namaste Technologies Holdings Inc.	Lifeist Worldwide Inc
NamasteMD Inc.	CannMartMD Inc.