



NUMINUS

NUMINUS WELLNESS INC.

CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended August 31, 2023 and 2022

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Numinus Wellness Inc.

Opinion

We have audited the accompanying consolidated financial statements of Numinus Wellness Inc. (the "Company"), which comprise the consolidated statements of financial position as at August 31, 2023 and 2022, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at August 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated 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 consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company's ability to continue as a going concern is dependent upon additional financing to continue operations. The Company has incurred an accumulated deficit of \$116,866,444 at August 31, 2023 and a net loss of \$30,256,378 for the year then ended. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, prepared under the conditions mentioned above, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of Goodwill

As described in Note 9 to the consolidated financial statements the Company recorded an impairment loss of \$2,550,527 during the year ended August 31, 2023. The Company performs impairment testing for goodwill at least annually, or more frequently when there is an indication of impairment. An impairment loss is recognized if the carrying amount of a cash generating unit ("CGU") or grouped CGUs to which the goodwill relates exceeds its recoverable amount. In determining the estimated recoverable amount the Company uses a discounted cash flow model which includes significant assumptions such as future cash flows, revenue growth rates, and discount rates.



The principal considerations for our determination that the evaluation of the goodwill impairment analysis is a key audit matter are that there was a high degree of judgement and subjectivity by management in determining the recoverable amount of the cash generating units and there was a high degree of auditor judgement, subjectivity and effort in performing procedures to evaluate management's significant assumptions, including future cash flows, growth rates and discount rates.

To address this key audit matter, we performed the following procedures:

- Obtained an understanding of the key controls associated with the Company's goodwill process including the valuation of goodwill.
- Evaluated the appropriateness of management's use of the discounted cash flow model and tested the mathematical accuracy thereof.
- Assessing the reasonableness of management's forecasted cash flows and revenue growth rates by comparing them to current and historical performance, current industry, market and economic trends.
- Utilizing professionals with specialized skill and knowledge in the field of valuation to assist in evaluating the appropriateness of management's discounted cash flow model and in testing the reasonableness of certain significant assumptions, including the discount rate used by management.

Revenue Recognition

As described in Note 14 to the consolidated financial statements, the Company recognized revenue of \$23,180,499 for the year ended August 31, 2023. As more fully described in Note 2, the Company recognized revenue from lab testing services, psychotherapy services and psychedelic-assisted therapy training services.

The principal considerations for our determination that the recognition of revenue is a key audit matter is the material nature of the balance and that revenue transactions rely on complex systems to process, record, and recognize a high volume of low value revenue transactions through a combination of information technology, internal systems and outsourced service providers. This in turn led to a significant effort in performing procedures to evaluate audit evidence for revenue recognized.

To address this key audit matter, we performed the following procedures:

- Performed a detailed walkthrough of the Company's processes and controls and understood how transactions are reported and recorded in the consolidated financial statements.
- Performed substantive testing procedures over revenue recognition including obtaining and summarizing agreements and testing of source documents to ensure completeness, occurrence, accuracy and appropriate cut-off of revenue recognized.
- Confirmed outstanding trade receivables with key customers.

Investments

As described in Note 10 to the consolidated financial statements, the fair value of the Company's investments as at August 31, 2023 was \$2,076,595 which was determined using level 3 inputs. As further described in Note 10 and 16, management uses a variety of valuation techniques. In the determination of the fair value of these investments, management applies significant judgement which includes the selection of appropriate valuation techniques and the use of significant unobservable inputs in those techniques.

The principal consideration for our determination that the assessment of valuation of investments is a key audit matter is that there was significant judgment made by management when determining the fair value estimates of the investments. This determination required the use of appropriate valuation techniques which included unobservable inputs. This in turn led to a high degree of auditor subjectivity and judgement in performing procedures relating to the valuation of the investments.

To address this key audit matter, we performed the following procedures:

- Obtained an understanding of the key controls associated with the Company's investment process including the valuation of investments.
- Evaluated the appropriateness of management's of the valuation techniques used and tested the mathematical accuracy thereof.
- Confirming ownership of investments.
- Utilizing professionals with specialized skill and knowledge in the field of valuation to further assist in evaluating the reasonableness of management's valuation.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

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

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

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Alyson Neil.



Vancouver, Canada

Chartered Professional Accountants

November 29, 2023

NUMINUS WELLNESS INC.

Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Note	For the years ended	
		August 31, 2023	August 31, 2022
Revenue	14	\$ 23,180,499	\$ 6,494,074
Cost of revenue	14	14,809,109	4,717,304
Gross profit		8,371,390	1,776,770
Expenses			
General and administration	13	28,664,535	21,712,729
Share-based compensation	12, 18	1,865,198	3,454,867
Sales and marketing		1,991,885	2,192,325
Depreciation	8, 9	1,640,513	982,341
Research and development		1,168,390	1,885,037
Write-off of assets	6, 8	-	494,535
Impairment of goodwill and intangible assets	9	2,550,527	13,275,005
Transaction costs	5	13,573	2,515,935
Total expenses		37,894,621	46,512,774
Loss before other items		(29,523,231)	(44,736,004)
Interest expense and other finance cost	11, 17	(759,672)	(557,787)
Interest and other finance income		9,335	129
Other income (expense)		(530,962)	446,585
Foreign exchange gain (loss)		(73,576)	211,839
Revaluation of contingent consideration payable	16	621,728	(280,648)
Loss from operations before taxes		\$ (30,256,378)	\$ (44,915,886)
Income tax expense (recovery)	15	-	34,000
Net loss		\$ (30,256,378)	\$ (44,881,886)
Other comprehensive income		310,153	64,248
Comprehensive loss		\$ (29,946,225)	\$ (44,817,638)
Loss per share, basic and diluted		\$ (0.11)	\$ (0.21)
Weighted average number of common shares outstanding, basic and diluted		263,632,130	216,587,034

The accompanying notes are an integral part of the Consolidated Financial Statements.

NUMINUS WELLNESS INC.

Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

		For the year ended August 31,	
	Note	2023	2022
Cash flows from operating activities			
Net loss		\$ (30,256,378)	\$ (44,881,886)
Items not affecting cash:			
Depreciation	8, 9	2,834,073	1,505,685
Share-based compensation		1,865,198	3,454,867
Bad debt expense		642,475	-
Interest and interest accretion		741,229	398,441
Loss on disposal of assets		257,856	107,810
(Gain) loss on long-term investments	10	295,023	(183,478)
Write off of inventory		-	3,231
Impairment of goodwill and intangibles	9	2,550,527	13,275,005
Shares issued for advisory services		-	108,889
Deferred tax recovery	15	-	(34,000)
Revaluation of contingent consideration payable		(621,728)	280,648
		(21,691,725)	(25,964,788)
Changes in non-cash working capital			
Accounts receivable		(1,324,935)	98,138
Prepaid expenses		117,588	(359,631)
Accounts payable and accrued liabilities		176,987	46,359
Deferred revenue		(37,983)	(49,728)
Cash used in operating activities		(22,760,068)	(26,229,650)
Cash flows from investing activities			
Neurology Centre of Toronto acquisition	5	-	(300,000)
Cash from acquisition of Novamind	5	-	1,669,565
Proceeds from disposal of assets		5,885	-
Purchase of property and equipment	8	(375,454)	(1,246,374)
Cash generated by (used in) investing activities		(369,569)	123,191
Cash flows from financing activities			
Proceeds from warrants exercised	12	844,120	351,382
Proceeds from options exercised	12	71,877	340,445
Lease payment	17	(2,298,563)	(669,752)
Repayment of loans	11	(75,746)	(14,732)
Cash generated by (used in) financing activities		(1,458,312)	7,343
Effect of foreign exchange on cash		123,439	(149,807)
Change in cash and cash equivalents during the year		(24,464,510)	(26,248,923)
Cash and cash equivalents, beginning of the year		33,044,045	59,292,968
Cash and cash equivalents, end of the year		\$ 8,579,535	\$ 33,044,045

Supplemental cash flow information (Note 19)

The accompanying notes are an integral part of the Consolidated Financial Statements.

NUMINUS WELLNESS INC.

Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Note	Share Capital		Reserves	Obligations to issue equity	Accumulated Other Comprehensive Income	Deficit	Total
		Common Shares	Amount					
Balance, August 31, 2021		203,077,074	\$ 88,868,620	\$ 13,190,800	\$ 499,632	\$ -	\$ (41,728,180)	\$ 60,830,872
Exercise of stock options		1,902,000	647,250	(306,805)	-	-	-	340,445
Exercise of warrants		4,352,160	1,698,319	(1,346,937)	-	-	-	351,382
Shares issued for acquisition of Mindspace		629,300	517,008	-	(333,088)	-	-	183,920
Shares issued for acquisition of NCT	5	206,228	171,169	-	-	-	-	171,169
Shares issued for acquisition of Novamind	5	43,474,659	15,868,251	4,721,579	-	-	-	20,589,830
Shares issued for advisory services		444,444	108,889	-	-	-	-	108,889
Retention share issuance		151,515	100,000	(100,000)	-	-	-	-
Share-based compensation		2,000,000	1,220,000	1,313,740	921,127	-	-	3,454,867
Loss and comprehensive loss for the year		-	-	-	-	64,248	(44,881,886)	(44,817,638)
Balance, August 31, 2022		256,237,380	\$ 109,199,506	\$ 17,472,377	\$ 1,087,671	\$ 64,248	\$ (86,610,066)	\$ 41,213,736
Exercise of stock options	12	287,504	109,370	(37,493)	-	-	-	71,877
Exercise of warrants	12	2,411,774	940,471	(96,351)	-	-	-	844,120
Shares issued in exchange for RSUs	12	4,401,789	1,124,665	(203,538)	(921,127)	-	-	-
Shares issued for acquisition of Mindspace	12	1,116,653	437,960	-	(166,544)	-	-	271,416
Share-based compensation		2,000,000	454,996	1,138,786	-	-	-	1,593,782
Loss and comprehensive loss for the year		-	-	-	-	310,153	(30,256,378)	(29,946,225)
Balance, August 31, 2023		266,455,100	\$ 112,266,968	\$ 18,273,781	\$ -	\$ 374,401	\$ (116,866,444)	\$ 14,048,706

The accompanying notes are an integral part of the Consolidated Financial Statements.

NUMINUS WELLNESS INC.

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

For the years ended August 31, 2023 and 2022

1. NATURE OF OPERATIONS AND GOING CONCERN

Numinus Wellness Inc. (the “Company” or “Numinus”) was incorporated on October 26, 1964 under the Laws of British Columbia. The Company was traded on the TSX Venture Exchange (the “Exchange”) and graduated to the Toronto Stock Exchange (“TSX”) on December 16, 2021 under the symbol “NUMI”. The Company’s registered and records office is located at Suite 2500 Park Place, 666 Burrard Street, Vancouver, BC V6C 2X8.

Numinus develops proprietary, psychedelic-centered, therapeutic products and services through its own laboratory and research & development processes, to be delivered through its network of physical locations, digital solutions and partnerships.

Numinus’ wellness clinic network in Canada consists of Numinus Health Corp. (“Numinus Health”), Mindspace Services Inc. (“Mindspace”) and the Neurology Centre of Toronto Inc. (“NCT”). Numinus’ wellness clinic network in the United States consists of Numinus Wellness UT Inc. (“Numinus Utah”) (formerly Cedar Psychiatry Inc.) and Foundations for Change Inc. (“FFC”). Numinus’ wellness clinic network provides services including ketamine-assisted psychotherapy (“KAP”) for depression, transcranial magnetic stimulation (“TMS”), neurological care and psychotherapy and counselling by registered psychologists. Numinus develops KAP protocols for other clinical indications, psychedelic neurology programming and therapeutic protocols for other psychedelic substances.

Numinus Bioscience Inc. (“Numinus Bioscience”) is the Company’s Health Canada-licensed laboratory developing intellectual property, advancing research, and providing contract research and innovation services. Key activities include the cultivation, production, and extraction of natural *Psilocybe* and other psychoactive fungi species, the development of proprietary processes and products, standardizing methods for controlled psychedelics and development of a pipeline for product development, protocol development and safety and efficacy studies.

The Company currently holds the following Health Canada licenses:

- *Controlled Drugs and Substances Dealer’s License* enables the Company to possess, produce, assemble, sell, export, test and research & develop psychedelics such as Trimethoxyphenethylamine (“mescaline”), methylenedioxyamphetamine (“MDMA”), Dimethyltryptamine (“DMT”), Psilocybin, Ketamine, LSD, Psilocin, Harmaline and Harmalol.
- *Analytical Testing License* under the Cannabis Act and Cannabis Regulations allowing for the analytical testing of cannabis for quality assurance purposes.

Cedar Clinical Research (“CCR”) is the Company’s research arm based in various cities in the states of Utah and Arizona in the United States, focused on hosting phase I and phase IV clinical trial and research focused on emerging treatment options in neuropsychiatry on behalf of third-party sponsors. CCR provides select contract research organization services for pharmaceutical companies. CCR also hosts and sponsors investigator-initiated studies to answer research questions unaddressed by clinical trials and to validate psychedelic-assisted psychotherapy treatment protocols.

Numinus Digital Inc. provides robust certification pathways for diverse professionals who are looking to develop core psychedelic-assisted therapy skills through multi-modal teaching methods including interactive evidence and theory reviews, audio-visual design, case-based learning, experiential learning, and in-person shadowing opportunities.

NUMINUS WELLNESS INC.

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

For the years ended August 31, 2023 and 2022

1. NATURE OF OPERATIONS (continued)

Economic Uncertainty

Global factors could have adverse impacts on the operations of the Company's business. Factors affecting current economic conditions include, but are not limited to, supply chain challenges; evolving impacts of the conflict in Ukraine and Israel; escalating energy supply shortages and costs; inflationary pressures; rising interest rates; changes in monetary and fiscal policies; and other responses from central banks and other government authorities. These factors can increase economic uncertainty, which may affect matters such as issuer liquidity, asset values, exposure to loss, and business continuity. These global challenges may result in increasing estimation uncertainty for those responsible for financial reporting because the assumptions used to prepare the financial statements may materially change in the near term.

Going Concern

These consolidated financial statements for the year ended August 31, 2023, have been prepared on the assumption that the Company is a going concern, meaning that it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the normal course of operations. The Company has incurred an accumulated deficit of \$116,866,444 and a net loss of \$30,256,378 for the year ended August 31, 2023. The Company's continuation as a going concern is dependent on its ability to attain profitable operations and generate funds therefrom and/or raise funds sufficient to meet current and future obligations. There can be no assurances that management's future plans for the Company will be successful. The Company will require additional financing in order to fund working capital requirements. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be available on acceptable terms. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments to the recoverability and classification of assets and liabilities that might be necessary, should the Company be unable to continue as a going concern.

NUMINUS WELLNESS INC.

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

For the years ended August 31, 2023 and 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these consolidated financial statements are as follows:

a) Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. These consolidated financial statements were authorized for issue by our Board of Directors on November 29, 2023.

b) Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. These accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements.

c) Basis of consolidation

These consolidated financial statements incorporate the accounts of the Company and the following wholly owned subsidiaries:

Name of Subsidiary	Country of Incorporation	Percentage Ownership	Functional Currency	Principal Activity
Numinus Bioscience Inc. (formerly Salvation Botanicals Ltd.)	Canada	100%	CAD	Research
Numinus Health Corp.	Canada	100%	CAD	Health & Wellness
Numinus Digital Inc.	Canada	100%	CAD	Health & Wellness
Mindspace Services Inc.	Canada	100%	CAD	Health & Wellness
Neurology Centre of Toronto Inc.	Canada	100%	CAD	Health & Wellness
Numinus Digital Inc.	Canada	100%	CAD	Health & Wellness
Numinus Wellness Research Inc.	Canada	100%	CAD	Research
Novamind Inc.	Canada	100%	CAD	Holding Company
Novamind Ventures Inc.	Canada	100%	CAD	Holding Company
Foundations for Change Inc.	United States	100%	USD	Health & Wellness
Numinus Wellness UT Inc. (formerly Cedar Psychiatry Inc.)	United States	100%	USD	Health & Wellness
Numinus Health (USA) Inc.	United States	100%	USD	Health & Wellness
Cedar Clinical Research Inc.	United States	100%	USD	Research
Salvation Bioscience Inc.	Canada	100%	CAD	Inactive
1659070 Canada Inc.	Canada	100%	CAD	Inactive
1050086 BC Ltd.	Canada	100%	CAD	Inactive
1134337 BC Ltd.	Canada	100%	CAD	Inactive

Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity to obtain benefits from its activities. The financial statements of the Company's subsidiaries, including entities which the Company controls, are included in the consolidated financial statements from the date that control commences until the date that control ceases. Additional entities that the Company controls and consolidates are the following Canadian professional corporations that provide services to our clients: Presence Psychology Services Inc., Dr. Andrew Bui-Nguyen Inc., Dr. Evan Lewis Medical Professional Corporation, Dr. Neil Barclay Corporation, and Dr. R. N. Barclay Corporation. All intercompany transactions and balances have been eliminated.

NUMINUS WELLNESS INC.

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

For the years ended August 31, 2023 and 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Functional and presentation currency

Functional and presentation currency

The functional currency is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and its subsidiaries was determined by conducting an analysis of the consideration factors identified in *IAS 21 The Effects of Changes in Foreign Exchange Rates*.

The assets and liabilities of foreign operations are translated in Canadian dollars at year-end exchange rates while income and expenses, and cash flows are translated into Canadian dollars using average exchange rates. Exchange differences resulting from translating foreign operations are recognized in other comprehensive income (loss).

Translation of foreign transactions and balances into the functional currency

Foreign currency transactions are translated into the functional currency of the Company at rates of exchange prevailing on the dates of the transactions. At each financial position reporting date, all monetary assets and liabilities that are denominated in foreign currencies are translated to the functional currency of the Company at the rates prevailing at the date of the statement of financial position. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss.

e) Business combinations

Business combinations are accounted for using the acquisition method required by *IFRS 3 Business Combinations*. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued plus any liabilities and contingent liabilities assumed. Assets acquired and liabilities assumed (including liabilities of the acquiree not previously recognized) in the business combination are measured initially at fair values at the date of acquisition, irrespective of the extent of any minority interest.

When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognized in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for those items for which the accounting is incomplete. The provisional amounts are adjusted during the measurement period, or additional assets or liabilities may be recognized to reflect additional information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

NUMINUS WELLNESS INC.

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

For the years ended August 31, 2023 and 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Goodwill

Goodwill is initially measured at cost being the excess of the purchase consideration of the business combination over the Company's share in the net fair value of the acquiree's identifiable assets, liabilities, and contingent liabilities. If the costs of the acquisition are less than the fair value of the net assets acquired, the difference is recognized directly in the statement of loss and comprehensive loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. To complete impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units ("CGU's") that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

g) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination are measured at their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

The Company's intangible assets are assessed to have finite useful lives and are amortized over their economic life. Impairment assessments are completed on such intangible assets whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit or loss in the expense category consistent with the function of the intangible assets.

The Company acquired customer relationships and brand names as part of its acquisitions of NCT and Novamind. The following table summarizes the useful lives of these finite intangible assets.

Customer Relationships	20% declining balance
Brand Name	20% declining balance

NUMINUS WELLNESS INC.

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

For the years ended August 31, 2023 and 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Financial instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI"), or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classification of the Company's financial instruments:

Financial assets/liabilities	Classification
Cash and cash equivalents	FVTPL
Trade and other receivables	Amortized cost
Investments	FVTPL
Accounts payable and accrued liabilities	Amortized cost
Contingent consideration payable	FVTPL
Debt	Amortized cost

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at fair value through profit of loss

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are recognized through profit and loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are recognized through profit and loss in the period in which they arise.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated statements of loss, as an impairment, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

NUMINUS WELLNESS INC.

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

For the years ended August 31, 2023 and 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Financial instruments (continued)

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of loss.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. Gains and losses on derecognition are recognized in profit or loss.

i) Impairment of non-financial assets

Goodwill is reviewed for impairment at least annually and whenever events or changes in circumstances indicate that the carrying value may be impaired.

All property and equipment and definite life intangible assets are tested for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any.

The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs. Following the recognition of an impairment loss, the depreciation charge applicable to the asset is adjusted prospectively in order to systematically allocate the revised carrying amount, net of any residual value, over the remaining useful life.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the lesser of the revised estimate of recoverable amount, and the carrying amount that would have been recorded had no impairment loss been recognized previously.

Where an impairment subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate and its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or CGU) in prior periods. A reversal of an impairment loss is recognized immediately in profit or loss.

NUMINUS WELLNESS INC.

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

For the years ended August 31, 2023 and 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Revenue recognition

In accordance with IFRS 15, Revenue from Contracts with Customers, revenue is recognized when a customer obtains control of promised goods or services. The amount of revenue reflects the consideration to which the Company expects to be entitled to receive in exchange for these goods or services. The Company applies the following five-step analysis to determine whether, how much and when revenue is recognized:

1. Identify the contract with the customer;
2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations in the contract; and
5. Recognize revenue when or as the Company satisfies a performance obligation.

The Company derives its revenues from three main sources: (a) lab testing services; (b) psychotherapy services; and (c) psychedelic-assisted therapy training services. Service revenues, including lab testing and psychotherapy services are recognized when the services are performed, net of estimated discounts or other deductions, including uncollectible amounts. Payment is typically due on standard commercial terms and is recognized into revenue upon the satisfaction of the performance obligation.

k) Cost of revenues

Cost of revenue includes costs directly incurred to provide service and includes salaries and wages of lab and clinic personnel, depreciation of the lab and related equipment, and other materials and supplies consumed in providing the services.

l) Property and equipment

Property and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Depreciation is calculated using the following terms and methods:

Furniture and fixtures	Declining balance	20%
Equipment	Declining balance	20%
Computers	Declining balance	30%
Leasehold improvements	Straight line	Over lease term

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in the profit or loss in the period the asset is derecognized. The assets' residual values, useful lives and methods of depreciation are reviewed at each reporting date, and adjusted prospectively, if appropriate. Assets under construction are not depreciated until available for use.

NUMINUS WELLNESS INC.

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

For the years ended August 31, 2023 and 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

m) Leases

The Company has entered lease contracts under which the Company is the lessee.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset over a period in exchange for consideration.

At the lease commencement date, a lease liability is initially measured at the present value of the lease payments during the lease term that are not paid at the commencement date, discounted by the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The Company's incremental borrowing rate is the rate that the Company would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. The lease term includes the non-cancellable period for which the Company has the right to use the underlying asset, periods covered extension options that the Company is reasonably certain to exercise, and periods covered by termination options that the Company is reasonably certain not to exercise. The lease liability is subsequently measured at amortized cost using the effective interest method.

Lease payments during the lease term included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be payable under any residual value guarantee;
- the exercise price under purchase options that the Company is reasonably certain to exercise; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The Company recognizes a right-of-use asset, which is included in property and equipment, at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs.

Payments associated with short-term leases that have a lease term of twelve months or less and leases of low-value assets are recognized on a straight-line basis as an expense in the consolidated statements of loss. The finance cost associated with the lease liability is recognized as an expense over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Right-of-use assets are generally depreciated over the lease term on a straight-line basis.

n) Share capital

The Company records proceeds from share issuances net of issue costs and any tax effects. Common shares issued for consideration other than cash are valued based upon their market value of the shares as of the date of issuance. The Company has adopted the residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in private placements is determined to be the more easily measurable component and they are valued at their fair value, as determined by the closing quoted price on the day prior to the announcement date. The balance, if any, was allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserve.

NUMINUS WELLNESS INC.

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

For the years ended August 31, 2023 and 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o) Share-based payments

Share-based compensation to employees and others providing similar services are measured at the estimated fair value of the instruments issued on the grant date and expensed over the vesting periods. Share-based compensation to non-employees is measured at the fair value of the goods or services received or the fair value of the equity instruments issued if the fair value of the goods or services cannot be reliably measured and is recorded at the date the goods or services are received. The fair value of the options granted is measured using the Black-Scholes option-pricing model considering the terms and conditions upon which the options were granted. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest.

Proceeds from the exercise of stock options and warrants are recorded as share capital in the amount for which the option or warrant enabled the holder to purchase a share in the Company. Any previously recorded share-based payment included in the reserves account is transferred to share capital on exercise of options. Share capital issued for non-monetary consideration is valued at the closing market price at the date of issuance.

p) Provisions

Provisions are liabilities that are uncertain in timing or amount. We record a provision at an amount equal to the best estimate of the consideration required to settle the present obligation at the reporting date when and only when:

- i. The Company has a present obligation (legal or constructive) because of a past event;
- ii. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- iii. A reliable estimate can be made of the amount of the obligation.

Constructive obligations are obligations that derive from the Company's actions where:

- i. By an established pattern of past practice, published policies or a sufficiently specific current statement, we have indicated to other parties that we will accept certain responsibilities; and
- ii. As a result, we have created a valid expectation on the part of those other parties that we will discharge those responsibilities.

Provisions are reviewed at the end of each reporting period and adjusted or reversed to reflect the Company's current best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed. Provisions are reduced by actual expenditures for which the provision was originally recognized. Where discounting has been used, the carrying amount of a provision is accreted during the period to reflect the passage of time. Accretion expense is included in finance costs in the consolidated statements of income (loss).

NUMINUS WELLNESS INC.

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

For the years ended August 31, 2023 and 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

r) Income taxes

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

Deferred tax is recognized by providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination. 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. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference 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.

s) Earning (loss) per share

Basic earnings (loss) per share ("EPS") is calculated using the weighted average number of common shares outstanding during the year. Diluted loss per share is calculated by adjusting the loss attributable to equity shareholders and the weighted average number of common shares outstanding for the effects of all potentially dilutive instruments. The calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the year. In years where a loss is reported, diluted loss per share is the same as basic loss per share because of the effects of potentially dilutive common shares would be anti-dilutive.

3. CHANGES IN ACCOUNTING STANDARDS

New and amended IFRS standards not yet effective

The Company has evaluated new accounting standards and interpretations have been published that are not mandatory for the current period and have not been early adopted. These standards are not expected to have a material impact on the Company.

NUMINUS WELLNESS INC.

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

For the years ended August 31, 2023 and 2022

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

In preparing the Company's consolidated financial statements, the Company makes judgements in applying accounting policies. The judgements that have the most significant effect on the amounts recognized in the Company's consolidated financial statements are outlined below. In addition, the preparation of the consolidated financial statements in conformity with IFRS requires the use of estimates that affect the amounts reported and disclosed in the consolidated financial statements and related notes. These estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to previous experience, but actual results may differ materially from the amounts included in the consolidated financial statements. The information about significant areas of estimation uncertainty and judgement considered by management in preparing these consolidated financial statements is as follows:

a) Estimated useful lives and depreciation of property and equipment

Depreciation and amortization of property and equipment and intangible assets are dependent upon estimates of useful lives, which are determined through the exercise of judgment. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of assets.

b) Share-based payments

Management measures share-based payments expense and compensatory warrants using the Black-Scholes pricing model that incorporates key estimates such as the rate of forfeiture of options and warrants granted/issued, the expected life of the option and warrants, the volatility of the value of the Company's common shares and the risk-free interest rate are used. Judgement may be required in determining whether the recipient of a share-based award is treated as an employee or not.

c) Business combinations

In a business combination, the Company may acquire assets and assume certain liabilities of an acquired entity. Judgement is used in determining whether an acquisition is a business combination or an asset acquisition. Estimates are made as to the fair value of the identifiable assets acquired and the liabilities assumed on the acquisition date, as well as the fair value of consideration paid and contingent consideration payable. In certain circumstances, such as the valuation of property, plant and equipment, intangible assets and goodwill acquired, the Company may rely on independent third-party valuers. The determination of these fair values involves a variety of assumptions, include revenue growth rates, expected operating income, discount rates, and earnings multiples.

d) Impairment of goodwill and long-lived assets

After initial recognition, goodwill and long-lived assets are measured at cost less any accumulated impairment losses. For the purpose of impairment testing, management must make critical estimates and use assumptions to project the value of each cash-generating unit. Assumptions include future revenue, profit margin, and an appropriate discount rate. These assumptions will impact the valuation and impairment of goodwill and long-lived assets.

e) Right of use lease assets and liabilities

The right of use assets and liabilities are measured at the present value of future lease payments discounted using the rate implicit in the lease or an estimated incremental borrowing rate for the Company if the rate implicit in the lease is not readily determined. These assumptions will impact the valuation of right of use assets and liabilities and finance cost.

NUMINUS WELLNESS INC.

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

For the years ended August 31, 2023 and 2022

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

f) Going concern

Management uses judgement in assessing the Company's ability to continue as a going concern at each reporting date, using quantitative and qualitative information available. This assessment by its nature, relies on estimates of future cash flows, and other future events, whose subsequent changes would materially impact the validity of such an assessment.

g) Deferred income tax assets and liabilities

The measurement of deferred income tax provision is subject to the uncertainty associated with the timing of future events and changes in legislation, tax rates, and interpretations by tax authorities. The estimation of taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to the expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful operations of the Company. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and deferred tax provisions or recoveries could be affected.

h) Determination of CGU's

Management is required to use judgement in determining which assets or group of assets make up appropriate CGU's for the level at which goodwill and intangible assets with indefinite lives are tested for impairment. A CGU is defined as the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets.

i) Valuation of financial instruments

The Company makes estimates and assumptions relating to the fair value measurement and disclosure of its investments and, contingent consideration payable. The fair values are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, management's judgment is required to establish fair values.

NUMINUS WELLNESS INC.

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

For the years ended August 31, 2023 and 2022

5. ACQUISITIONS

A) Acquisition of the Neurology Centre of Toronto Inc.

On September 22, 2021, the Company completed the acquisition of a 100% interest in the Neurology Centre of Toronto Inc. ("NCT"), a Toronto-based neurology clinic with a focus on evidence-based approaches to mental health. The acquisition of NCT is to integrate neurology into the broader Numinus psychedelic assisted psychotherapy and establishes a home base for neurology-related psychedelic therapy research.

As consideration for the acquisition of NCT, the Company paid \$300,000 in cash and 206,228 common shares. As part of an additional contingent consideration, the Company will issue \$500,000 in common shares, at the market price of the common shares at the time of issuance, subject to certain performance-based milestones being met. The Company has determined that this transaction represents a business combination with Numinus identified as the acquirer. The total fair value of consideration for the acquisition is \$646,169. Acquisition costs, in the form of advisory, legal and other professional fees, associated with the transaction to acquire NCT of \$45,092 were expensed as incurred during the year ended August 31, 2022. The Company began consolidating the operating results, cash flows, and net assets of NCT from the date of acquisition onwards.

Upon the acquisition of NCT, the Company identified goodwill of \$451,276 (Note 9). The goodwill was calculated as the difference between the fair value of the consideration for the acquisition of NCT and the fair value of all other assets and liabilities acquired. None of the goodwill is deductible for tax purposes. The goodwill recognized on the acquisition is primarily the assembled workforce and the synergies which will contribute to operational efficiencies within the Company.

The following table shows the purchase price allocated to the assets acquired and liabilities assumed, based on fair value estimates. The table includes a summary of the identifiable classes of consideration transferred, and amounts by category of assets acquired and liabilities assumed at the acquisition date:

	September 22, 2021	
Consideration		
Cash	\$	300,000
206,228 common shares ⁽¹⁾		171,169
Contingent consideration ⁽²⁾		175,000
Total consideration	\$	646,169
Recognized amount of identifiable assets acquired and liabilities assumed		
Amounts receivable and other receivables		20,738
Property and equipment		118,900
ROU assets		124,755
Intangible assets		120,000
Goodwill		451,276
Accounts payable		(29,211)
Other payables		(1,535)
ROU liabilities		(124,754)
Deferred tax liability		(34,000)
Net identifiable assets acquired	\$	646,169

⁽¹⁾ The common shares were valued at the closing price of the Company's shares on September 22, 2021.

⁽²⁾ The Company will pay an aggregate of up to \$500,000 in common shares, issued at the market price of the common shares at the time of issuance, over the next two years in the event that revenues of NCT reach the following milestones:

- Year 1 - \$1,350,000
- Year 2 - \$1,700,000

NUMINUS WELLNESS INC.

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

For the years ended August 31, 2023 and 2022

5. ACQUISITIONS (continued)

A. Acquisition of Neurology Centre of Toronto Inc. (continued)

The Company has applied a weighted average of probabilities of revenue for the two-year earn out based on forecasts and probability factors.

In addition to the above milestones, if NCT achieves at least 90% of the milestone revenues in Year 1 and/or Year 2, and provided there is positive EBITDA, the Company will pay a milestone amount equal to the percentage of milestone revenues achieved as a proportion to the total possible milestone payment for the applicable year.

If NCT had been consolidated into the Company's operations from September 1, 2021, consolidated revenues for the year ended August 31, 2022, would have been approximately \$6,539,522 and consolidated net loss for the year ended August 31, 2022, would have been approximately \$45,024,893.

B. Acquisition of Novamind Inc.

On June 10, 2022, the Company completed the acquisition of a 100% interest in Novamind Inc. ("Novamind"). The acquisition of Novamind expanded the Company's geographic reach to the United States and increased the number of services and treatments offered to the Company's clients. In addition, the acquisition added four clinical research facilities.

As consideration for the acquisition of Novamind, the Company acquired all the issued and outstanding shares of Novamind on the basis of 0.84 shares of the Company per Novamind share, representing 43,474,659 common shares of the Company, in addition to conversion options and warrants for a total fair value of consideration of \$20.6 million. The Company has determined that this transaction represents a business combination with Numinus identified as the acquirer. Acquisition costs, in the form of advisory, legal, and other professional fees, associated with the acquisition of Novamind of \$2,470,843 were expensed as incurred during the year ended August 31, 2022. The Company began consolidating the operating results, cash flows, and net assets of Novamind from the date of acquisition onwards.

Upon the acquisition of Novamind, the Company identified goodwill \$14,952,287 (Note 9). The goodwill and other intangible assets were calculated as the difference between the fair value of the consideration for the acquisition of Novamind and the fair value of all other assets and liabilities acquired. None of the goodwill is deductible for tax purposes. The goodwill recognized on the acquisition is primarily the assembled workforce and the synergies which will contribute to operational efficiencies within the Company.

The following table shows the purchase price allocated to the assets acquired and liabilities assumed, based on fair value estimates. The table includes a summary of the identifiable classes of consideration transferred, and amounts by category of assets acquired and liabilities assumed at the acquisition date:

NUMINUS WELLNESS INC.

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

For the years ended August 31, 2023 and 2022

5. ACQUISITIONS (continued)**B. Acquisition of Novamind Inc. (continued)**

	June 10, 2022	
Consideration		
Common shares (43,474,659 shares @ \$0.365)	\$	15,868,251
Conversion options (2,810,682 options)		646,058
Warrants (15,997,658 warrants)		4,075,521
Fair value of total consideration	\$	20,589,830
Recognized amount of identifiable assets acquired and liabilities assumed		
Cash		1,669,565
Prepays		172,111
Accounts receivable		1,163,323
Properties, plant and equipment		1,979,400
Long-term Investments		2,188,140
Right of use assets		6,168,766
Intangible Assets		302,000
Goodwill		14,952,287
Accounts payable and accrued liabilities		(1,328,609)
Right of use liabilities		(6,168,767)
Loans Payable		(278,054)
Deferred Revenues		(230,332)
Net identifiable assets acquired	\$	20,589,830

If Novamind Inc. had been consolidated into the Company's operations from September 1, 2021, the consolidated revenues for the year ended August 31, 2022, would have been approximately \$16,477,918 and the consolidated net loss for the year ended August 31, 2022, would have been approximately \$55,782,542.

NUMINUS WELLNESS INC.

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

For the years ended August 31, 2023 and 2022

6. TRADE AND OTHER RECEIVABLES

	August 31, 2023		August 31, 2022	
Trade receivables ¹	\$	1,773,375	\$	1,398,015
Input tax credit receivables ²		18,540		169,565
Other receivables ³		492,224		34,099
	\$	2,284,139	\$	1,601,679

¹ During the year ended August 31, 2023, \$642,475 (2022 - \$nil) of aged accounts receivables were determined to be uncollectible and written off.

² During the year ended August 31, 2023, the Company wrote off \$90,707 (2022 - \$169,550) in input tax credit receivables that were determined to be uncollectible.

³ A portion of other receivables relates to related party transactions (refer to Note 18).

7. PREPAID EXPENSES AND DEPOSITS

	August 31, 2023		August 31, 2022	
Marketing	\$	133,332	\$	468,569
Insurance		697,805		536,069
Rent		11,706		106,618
Consulting		39,500		55,159
IT Expenses		188,511		197,240
Filing Fees		11,299		66,618
Others		108,365		46,027
Prepaid expenses	\$	1,190,518	\$	1,476,300
Non-current deposits and prepaid expenses	\$	406,082		237,888

NUMINUS WELLNESS INC.

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

For the years ended August 31, 2023 and 2022

8. PROPERTY AND EQUIPMENT

	Leasehold Improvements	Equipment	Computer	Furniture and Fixtures	Right of Use Assets - Equipment	Right of Use Assets - Premises	Construction in Progress	Total
Cost								
Balance, August 31, 2022	\$ 3,158,865	\$ 1,707,048	\$ 271,710	\$ 497,876	\$ 2,263,792	\$ 6,818,723	\$ -	\$ 14,718,014
Additions	273,167	36,661	3,275	58,673	-	797,832	3,678	1,173,286
Disposals	(41,223)	-	-	(7,782)	(652,626)	(51,762)	(3,678)	(757,071)
Foreign exchange	58,940	720	801	10,813	14,506	228,880	-	314,660
Balance, August 31, 2023	\$ 3,449,749	\$ 1,744,429	\$ 275,786	\$ 559,580	\$ 1,625,672	\$ 7,793,673	\$ -	\$ 15,448,889
Accumulated depreciation								
Balance, August 31, 2022	\$ 788,413	\$ 670,323	\$ 186,005	\$ 92,019	\$ 866,364	\$ 730,092	\$ -	\$ 3,333,216
Disposals ²	(19,814)	-	-	(2,179)	(403,896)	(33,913)	-	(459,802)
Depreciation ¹	525,109	256,371	27,816	109,202	525,807	1,314,368	-	2,758,673
Foreign exchange	4,059	61	69	934	2,821	13,700	-	21,644
Balance, August 31, 2023	\$ 1,297,767	\$ 926,755	\$ 213,890	\$ 199,976	\$ 991,096	\$ 2,024,247	\$ -	\$ 5,653,731
Net book value at August 31, 2023	\$ 2,151,982	\$ 817,674	\$ 61,896	\$ 359,604	\$ 634,576	\$ 5,769,426	\$ -	\$ 9,795,158

¹ For the year ended August 31, 2023, \$1,170,541 of depreciation expense is included in cost of revenue (2022 - \$283,133) and \$23,019 of depreciation expenses is included in research and development (2022 - \$240,211).

² For the year ended August 31, 2023, the Company recognized proceeds from the disposition of assets of \$5,885 (2022 - \$nil) and a loss of \$257,856 (2022 - \$nil) on the disposition of assets and lease cancellations.

	Leasehold Improvements	Equipment	Computer	Furniture and Fixtures	Right of Use Assets - Equipment	Right of Use Assets - Premises	Construction in Progress	Total
Cost								
Balance, August 31, 2021	\$ 997,452	\$ 1,178,459	\$ 245,100	\$ 132,562	\$ 1,706,187	\$ 767,866	\$ -	\$ 5,027,626
Acquisitions	1,771,473	21,609	22,995	282,223	441,315	5,852,206	-	8,391,821
Additions	338,039	506,325	2,892	74,133	104,754	3,544,399	324,985	4,895,527
Write off	-	-	-	-	-	-	(324,985)	(324,985)
Disposals	-	-	-	(600)	-	(3,495,468)	-	(3,496,068)
Foreign exchange	51,901	655	723	9,558	11,536	149,720	-	224,093
Balance, August 31, 2022	\$ 3,158,865	\$ 1,707,048	\$ 271,710	\$ 497,876	\$ 2,263,792	\$ 6,818,723	\$ -	\$ 14,718,014
Accumulated depreciation								
Balance, August 31, 2021	\$ 540,155	\$ 445,601	\$ 150,137	\$ 54,001	\$ 453,418	\$ 234,494	\$ -	\$ 1,877,806
Disposals	-	-	-	-	-	(28,848)	-	(28,848)
Depreciation ¹	240,245	224,616	35,731	36,030	412,175	520,913	-	1,469,710
Foreign exchange	8,013	106	137	1,988	771	3,533	-	14,548
Balance, August 31, 2022	\$ 788,413	\$ 670,323	\$ 186,005	\$ 92,019	\$ 866,364	\$ 730,092	\$ -	\$ 3,333,216
Net book value at August 31, 2022	\$ 2,370,452	\$ 1,036,725	\$ 85,705	\$ 405,857	\$ 1,397,428	\$ 6,088,631	\$ -	\$ 11,384,798

NUMINUS WELLNESS INC.

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For the years ended August 31, 2023 and 2022

9. GOODWILL AND INTANGIBLE ASSETS

	Customer Relationships	Brand Name	Goodwill	Total
Balance, August 31, 2021	\$ -	\$ -	\$ -	\$ -
Additions	81,000	341,000	15,403,563	15,825,563
Amortization	(15,223)	(20,752)	-	(35,975)
Impairment	-	(43,125)	(13,231,880)	(13,275,005)
Balance, August 31, 2022	\$ 65,777	\$ 277,123	\$ 2,171,683	\$ 2,514,583
Additions	-	-	-	-
Amortization	(16,200)	(59,200)	-	(75,400)
Impairment	(49,577)	(217,923)	(2,283,027)	(2,550,527)
Foreign exchange movement	-	-	111,344	111,344
Balance, August 31, 2023	\$ -	\$ -	\$ -	\$ -

Amortization of intangible assets of \$75,400 (2022 - \$35,975) is included in depreciation expense on the Consolidated Statement of Loss and Comprehensive Loss.

As at August 31, 2023, the Company performed its annual impairment test on the goodwill using the Fair Value Less Costs to Dispose (FVLCTD) method, using an expected cash flow approach, a level 3 valuation technique. As part of the impairment test, the Company's operations in Canada and the US comprise of the following cash generating units (CGU's): Neurology Centre of Toronto Inc. (NCT), Foundations for Change Inc. (FFC), Cedar Clinical Research Inc. (CCR), and Numinus Wellness UT Inc. (formerly, Cedar Psychiatry Inc.). The Company's CGU's are comprised of individual business operations.

The following are the significant assumptions used in the determination of the recoverable amount:

- Cash flows: Estimated cash flows for the valuation were based on historical operating results from internal sources available at the time of valuation in addition to market trends. Estimated cash flows are driven primarily by forecasted revenues and operating costs. The forecasts for all CGU's were extended for a total of five years
- Discount rate: The discount rate utilized was reflective of each CGU's Weighted Average Cost of Capital ("WACC"). The WACC was estimated based on the risk-free rate, equity risk premium, beta adjustment to the equity risk premium based on the beta of comparable public companies, unsystematic risk premiums, and after-tax cost of debt
- Terminal growth rate: Estimated based on the expected long-term inflation rate as at the valuation date
- Tax rate: Tax rates utilized were those enacted at each valuation date

The following table summarizes the assumptions used in calculating the recoverable amount for each CGU tested for impairment as at August 31, 2023:

	NCT	Numinus Utah
Terminal growth rate	2%	2%
Average revenue growth rate	2%	3%
Discount rate	35%	24%

The following table summarizes the balances and impairment charges to each CGU as of August 31, 2023:

	NCT	Numinus Utah	Total
Goodwill	\$ 323,910	\$ 1,847,773	\$ 2,171,683
Intangible assets	97,447	245,453	342,900
Intangible asset amortization	(24,000)	(51,400)	(75,400)
Goodwill impairment	(323,910)	(1,959,117)	(2,283,027)
Intangible asset impairment	(73,447)	(194,053)	(267,500)
Foreign exchange movement	-	111,344	111,344
Balance and recoverable amount, August 31, 2023	\$ -	\$ -	\$ -

NUMINUS WELLNESS INC.

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9. GOODWILL AND INTANGIBLE ASSETS (continued)

Management determined the impairment of goodwill and intangible assets were primarily related to the uncertainty over future revenue derived from psychedelic-assisted psychotherapies as these services are currently unregulated in addition to changes in the macroeconomic environment.

2022:

As at August 31, 2022, the Company performed its annual impairment test on the goodwill using the Fair Value Less Costs to Dispose (FVLCTD) method, using an expected cash flow approach, a level 3 valuation technique. As part of the impairment test, the Company's operations in Canada and the US comprise of the following cash generating units (CGU's): Neurology Centre of Toronto Inc. (NCT), Foundations for Change Inc. (FFC), Cedar Clinical Research Inc. (CCR), and Cedar Psychiatry Inc. The Company's CGU's are comprised of individual business operations.

The following are the significant assumptions used in the determination of the recoverable amount:

- i. Cash flows: Estimated cash flows for the valuation was based on historical operating results from internal sources available at the time of valuation in addition to market trends. Estimated cash flows are driven primarily by forecasted revenues and operating costs. The forecasts for all CGU's were extended for a total of five years
- ii. Discount rate: The discount rate utilized was reflective of each CGU's Weighted Average Cost of Capital ("WACC"). The WACC was estimated based on the risk-free rate, equity risk premium, beta adjustment to the equity risk premium based on the beta of comparable public companies, unsystematic risk premiums, and after-tax cost of debt
- iii. Terminal growth rate: Estimated based on the expected long-term inflation rate as at the valuation date
- iv. Tax rate: Tax rates utilized were those enacted at each valuation date

The following table summarizes the assumptions used in calculating the recoverable amount for each CGU tested for impairment as at August 31, 2022:

	NCT	FFC	CCR	Numinus Utah
Terminal growth rate	2%	2%	2%	2%
Average revenue growth rate	2%	-2%	7%	10%
Discount rate	25%	25%	25%	25%

The following table summarizes the balances and impairment charges to each CGU as of August 31, 2022:

	NCT	FFC	CCR	Numinus Utah	Total
Goodwill	\$ 451,276	\$ 951,393	\$ 2,417,428	\$ 11,583,466	\$ 15,403,563
Intangible assets	120,000	18,000	45,000	239,000	422,000
Intangible asset amortization	(22,553)	(809)	(1,875)	(10,738)	(35,975)
Goodwill impairment	(127,366)	(684,516)	(2,417,428)	(10,002,570)	(13,231,880)
Intangible asset impairment	-	-	(43,125)	-	(43,125)
Balance and recoverable amount, August 31, 2022	\$ 421,357	\$ 284,068	\$ -	\$ 1,809,158	\$ 2,514,583

Management determined the impairment of goodwill and intangible assets were primarily related to the uncertainty over future revenue derived from psychedelic-assisted psychotherapies as these services are currently unregulated.

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10. INVESTMENTS

As part of the Novamind acquisition (Note 5), the Company assumed two long-term investments.

i. Alto Neuroscience Inc. (“Alto”) – A clinical-stage biopharmaceutical company where, during 2021, Novamind purchased 1,000 non-voting participating investor shares in a special purpose vehicle (the “SPV”) for \$1,220,000 (US\$1,000,000). As at the acquisition date of Novamind, June 10, 2022, the Company’s investment in the SPV was valued at \$1,549,856 (Note 5). As at August 31, 2023, the Company’s investment in the SPV is valued at \$1,603,010 (August 31, 2022 - \$1,716,068). The fair value of the investment was determined based on the net asset value per share of the SPV, as determined by the SPV administrator, that incorporates the fair value of the underlying investment in Alto, as determined by the SPV investment manager.

ii. Bienstar Wellness Corp. (“Bienstar”) – An early-stage private mental health company where, during 2022, Novamind purchased 2,000,000 common shares for \$642,700 (US\$500,000). As at the acquisition date of Novamind, June 10, 2022, the Company’s investment in Bienstar was valued at \$638,284 (Note 5). As at August 31, 2023, the Company’s investment in Bienstar is valued at \$473,585 (August 31, 2022 - \$655,550).

		SPV*		Bienstar		Total
Balance, August 31, 2021	\$	-	\$	-	\$	-
Additions (Note 5)		1,549,856		638,284		2,188,140
Unrealized gain		166,212		17,266		183,478
Balance, August 31, 2022	\$	1,716,068	\$	655,550	\$	2,371,618
Unrealized gain (loss)		(113,058)		(181,965)		(295,023)
Balance, August 31, 2023	\$	\$1,603,010	\$	\$473,585	\$	\$2,076,595

*A 10% increase of NAV of the SPV would yield a valuation of \$1,763,311 and 10% decrease of NAV of the SPV would yield a valuation of \$1,442,709 affecting net loss for the year ended August 31, 2023 by \$160,301.

NUMINUS WELLNESS INC.

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11. LOANS PAYABLE

On March 31, 2021, FFC received a US\$150,000 COVID-19 Economic Injury Disaster Loan through the U.S. Small Business Administration Agency (the "SBA Loan"). On August 26, 2021, FFC received an additional advance of US\$49,600. The Company assumed the SBA Loan on June 10, 2022 as part of the acquisition of Novamind (Note 5). The SBA Loan bears interest at a rate of 3.75% per annum on the outstanding principal balance only where there is no compounding of interest. Payments on the SBA Loan were initially deferred for 18 months, followed by monthly payments of USD\$999 starting on September 3, 2022. The SBA Loan had an initial term of 30 years with the remaining principal and accrued interest due at maturity on March 3, 2051. The loan is secured by general business assets of FFC.

The initial fair value of the SBA Loan was determined to be \$147,236 using an effective interest rate of 9.99%.

In addition, as part of the Novamind acquisition, the Company assumed a loan payable to Bankers Healthcare Group LLC ("BHG") with an outstanding balance of US\$102,386 on June 10, 2022 (the "BHG Loan"). The loan bears interest at a rate of 9.99% per annum and the Company is required to make monthly payments of US\$3,676 until maturity on January 5, 2025. The initial fair value of the BHG Loan was determined to be \$130,818 using an effective interest rate of 9.99%.

The following table summarizes the balances as at August 31, 2023 for both loans assumed upon the acquisition of Novamind on June 10, 2022:

	SBA Loan		BHG Loan		Total
Balance, August 31, 2021	\$	-	\$	-	-
Additions (Note 5)		147,236		130,818	278,054
Loan repayments		-		(14,732)	(14,732)
Accretion expense		983		-	983
Interest		2,253		2,929	5,182
Translation adjustment		3,894		3,253	7,147
Balance, August 31, 2022	\$	154,366	\$	122,268	276,634
Loan repayments		(16,187)		(59,559)	(75,746)
Accretion expense		4,409		-	4,409
Interest		10,107		10,367	20,474
Translation adjustment		4,942		3,810	8,752
Balance, August 31, 2023	\$	157,637	\$	76,886	234,523
Allocated as:					
Current		16,221		54,454	70,675
Non-current		141,416		22,432	163,848
Balance, August 31, 2023	\$	157,637	\$	76,886	234,523

NUMINUS WELLNESS INC.

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(Expressed in Canadian Dollars)

For the years ended August 31, 2023 and 2022

12. SHARE CAPITAL AND RESERVES

The Company has unlimited authorized common shares with no par value.

During the year ended August 31, 2023, the Company issued 1,116,653 common shares with a value of \$437,960 as part of the Mindspace acquisition as follows:

- 110,294 common shares issued in connection with the quarterly anniversary payment.
- 370,825 common shares issued relating to retention shares.
- 100,064 common shares issued relating to certain operational milestones having been met.
- 535,470 common shares issued relating to certain revenue milestones, prorated in accordance with the original acquisition agreement.

During the year ended August 31, 2023, the Company issued an aggregate of 2,411,774 common shares on the exercise of warrants for gross proceeds of \$844,120. The Company also reclassified \$96,351 from reserves to share capital on the exercise of these warrants.

During the year ended August 31, 2023, the Company issued an aggregate of 287,504 common shares on the exercise of options for gross proceeds of \$71,877. The Company also reclassified \$37,493 from reserves to share capital on the exercise of these options.

During the year ended August 31, 2023, the Company issued 4,401,789 common shares of the Company valued at \$1,124,665 relating to the exchange of vested restricted share units.

During the year ended August 31, 2023, the Company issued 2,000,000 common shares with a fair value of \$454,996 to the Company's former Chief Medical Officer who now serves as an advisor to the Company.

On September 22, 2021, the Company issued 206,228 common shares with a fair value of \$171,169 as part of the NCT acquisition consideration (Note 5).

On January 4, 2022, the Company issued 2,000,000 common shares with a fair value of \$1,220,000 as share-based compensation related to the departure of Numinus' former Chief Strategy Officer.

On February 8, 2022, the Company issued 151,515 common shares with a fair value of \$100,000 as part of the retention shares on the first anniversary of the acquisition of Mindspace (Note 17).

On March 18, 2022, the Company issued 408,712 common shares with a fair value of \$183,920 as part of year 1 revenue milestone shares related to Mindspace.

On June 10, 2022, the Company issued 43,474,659 common shares with a fair value of \$15,868,251 as part of consideration for acquisition of Novamind (Note 5).

On July 11, 2022, the Company issued 444,444 common shares with a fair value of \$108,889 for advisory fee.

During the year ended August 31, 2022, the Company issued 220,588 common shares with a fair value of \$333,088 as part of the time-based payout of 441,176 common shares over the course of 24 months from the acquisition date of Mindspace on February 8, 2021.

During the year ended August 31, 2022, the Company issued 1,902,000 common shares of the Company on the exercise of options for gross proceeds of \$340,445. The Company also reclassified \$306,805 from reserves to share capital on the exercise of these options.

NUMINUS WELLNESS INC.

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12. SHARE CAPITAL AND RESERVES (continued)

During the year ended August 31, 2022, the Company issued an aggregate of 4,352,160 common shares on the exercise of warrants for gross proceeds of \$351,382. The Company also reclassified \$1,346,937 from reserves to share capital on the exercise of these warrants.

Warrants

The changes in warrants during the years ended August 31, 2023, and 2022 are as follows:

	2023		2022	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, August 31,	44,253,353	\$1.06	40,657,842	\$1.09
Issued ¹	143,752	\$0.35	15,997,658	\$0.49
Exercised	(2,411,774)	\$0.35	(4,352,160)	\$0.08
Expired	(30,645,331)	\$1.29	(8,049,987)	\$0.61
Outstanding, August 31,	11,340,000	\$0.60	44,253,353	\$1.06

¹Issued pursuant to compensation options exercised

The following table summarizes share purchase warrants outstanding as at August 31, 2023:

Expiry Date	Number of Warrants	Weighted Average Exercise Price	Weighted Average Life (months)
January 27, 2025	840,000	\$0.60	20.2
January 26, 2027	10,500,000	\$0.60	44.5
Total	11,340,000	\$0.60	42.7

The fair value of warrants issued were calculated using the Black-Scholes Option Pricing Model using the following weighted average assumptions:

	2023	2022
Risk-free interest rate	-	3%
Expected life of warrants	-	25.78 years
Annualized volatility	-	102.00%
Dividend rate	-	0%
Weighted average fair value per warrant	-	\$0.25

NUMINUS WELLNESS INC.

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12. SHARE CAPITAL AND RESERVES (continued)

Stock options

The Company has adopted an Omnibus Equity Incentive Plan (the "Plan") for its directors, officers, employees and consultants to acquire common shares of the Company. The maximum number of common shares underlying the securities issuable under the Plan cannot exceed 10% of the issued and outstanding common shares of the Company as at the date of shareholder approval. Instruments granted must be exercised no later than ten years from the date of grant or any such lesser period as determined by the Company's board of directors. The exercise price of an instrument is not less than the closing price on the Exchange on the last trading day preceding the grant date or the minimum price as per the Exchange. Any instruments issued to an investor relation consultant optionee must vest in stages over at least a twelve-month period with no more than 25% of such instruments vesting in any six-month period. All other instruments vest at the direction of the Board of Directors

The changes in stock options during the years ended August 31, 2023, and 2022 are as follows:

	2023		2022	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, August 31,	11,637,304	\$0.78	11,574,122	\$0.68
Granted	9,160,000	\$0.20	5,475,682	\$0.50
Exercised	(287,504)	\$0.25	(1,902,000)	\$0.18
Expired	(5,856,118)	\$1.07	(2,945,500)	\$0.24
Forfeited	(100,000)	\$0.36	(565,000)	\$0.93
Outstanding, August 31,	14,553,682	\$0.78	11,637,304	\$0.78

The following table summarizes stock options outstanding and exercisable as at August 31, 2023:

Expiry Date	Number of Options	Options Exercisable	Weighted Average Exercise Price	Weighted Average Life (months)
September 1, 2023 ¹	48,000	48,000	\$0.50	0.0
November 30, 2023	100,000	100,000	\$0.53	3.0
December 31, 2023	667,500	667,500	\$0.53	4.1
February 28, 2024	907,500	807,500	\$1.06	12.1
March 31, 2024	200,000	157,500	\$0.80	14.2
April 23, 2024	200,000	200,000	\$1.02	31.5
August 4, 2024	540,000	405,000	\$0.29	11.3
August 31, 2024	30,000	22,500	\$0.36	12.2
October 31, 2024	90,000	45,000	\$0.27	14.2
November 30, 2024	110,000	55,000	\$0.25	15.2
December 30, 2024	140,000	70,000	\$0.19	16.2
January 31, 2025	30,000	15,000	\$0.27	17.3
February 28, 2025	135,000	67,500	\$0.22	18.2
April 30, 2025	165,000	135,000	\$0.66	40.5
July 31, 2025	30,000	7,500	\$0.22	23.3
December 11, 2025	2,453,682	2,453,682	\$0.48	27.8
December 22, 2025	252,000	252,000	\$1.19	28.1
January 31, 2028	150,000	75,000	\$0.27	53.8
June 1, 2028	2,500,000	1,250,000	\$0.20	57.9
June 20, 2028	30,000	7,500	\$0.23	58.5
August 31, 2028	80,000	20,000	\$0.20	60.90
June 1, 2033	4,695,000	2,347,500	\$0.20	118.7
June 15, 2033	1,000,000	-	\$0.22	119.2
Total	14,553,682	9,208,682	\$0.32	64.1

¹48,000 options expired unexercised subsequent to August 31, 2023

NUMINUS WELLNESS INC.

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12. SHARE CAPITAL AND RESERVES (continued)

The fair value of stock options was calculated using the Black-Scholes Option Pricing Model using the following weighted average assumptions as of August 31:

	2023	2022
Weighted average fair value per share	\$0.20	\$0.41
Risk-free interest rate	3.33%	2.58%
Expected life of options	7.88 years	2.76 years
Annualized volatility	94.05%	102.22%
Dividend rate	0%	0%
Weighted average fair value per option	\$0.16	\$0.24

The share-based payments expense for the year ended August 31, 2023, was \$1,865,198 (2022 - \$3,454,867).

- \$Nil related to retention shares vested during the year (2022 - \$127,443).
- \$Nil related to employment settlement (2022 - \$1,220,000).
- \$946,273 related to the vesting of share purchase options (2022 - \$1,114,828).
- \$192,513 related to the restricted share units (2022 - \$992,596).
- \$271,416 related to the acquisition milestone of Mindspace (2022 - \$nil).
- \$454,996 related to shares issued to the Company's former Chief Medical Officer transitioning to an advisory role for the Company (2022 - \$nil).

Restricted Share Units

Under the Plan, awards for RSUs have been settled in common shares of the Company with each restricted share unit ("RSU") entitling the holder to receive one common share of the Company. All units are accounted for as equity-settled awards.

A summary of the Company's unit plans and changes during the year ended August 31, 2023, is as follows:

	August 31, 2023	August 31, 2022
Opening balance	995,135	-
Granted	72,000	4,636,167
Vested	(1,067,135)	(3,641,032)
Outstanding	-	995,135

For the year ended August 31, 2023, the Company recognized RSU stock-based compensation expense of \$192,513 (2022 - \$992,651).

As at August 31, 2023, the Company has an obligation to issue nil common shares in relation to the vested RSU's (2022- 3,641,032).

13. GENERAL AND ADMINISTRATION EXPENSES

General and administrative expenses consist of the following:

	2023	2022
Salaries and wages (Note 18)	\$ 15,609,178	\$ 9,499,745
Professional and consulting fees	6,163,806	5,859,391
Office and miscellaneous	6,891,551	6,353,593
	\$ 28,664,535	\$ 21,712,729

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14. OPERATING SEGMENTS

The Company's operating segments are reviewed by the Chief Operating Decision Maker ("CODM") for the purpose of resource allocation and assessment of segment performance focuses on the nature of operations. Factors considered in determining the operating segments include the Company's business activities, management and reporting structure directly accountable to the CODM, availability of financial information and strategic priorities of the Company.

The following are the operating segments which the Company has determined to be utilized:

Operating Segment	Description
Clinical research operations	Focused on licensed psychedelic research and derive revenues from providing clinical research management services to academic institutions and biotechnology companies
Canadian clinic network	Wellness clinics based in Canada that derive revenues from clinical services including traditional therapy and counseling, ketamine-assisted therapies, psychedelic-assisted therapies, mindfulness programs, and virtual psychotherapy
US clinic network	Wellness clinics based in the United States that derive revenues from clinical services from psychedelic-assisted therapies, transcranial magnetic stimulation, and psychiatric and medical model management
Corporate	The Company's functional areas including, but not limited to, finance, marketing, information technology, product, legal, human resources, and the executive team

The following is a summary of the reported amounts of loss before other items, loss before income taxes and the carrying amount of assets and liabilities by operating segment:

For the year ended August 31, 2023	Clinical Research Operations	Canadian Clinic Network	US Clinic Network	Corporate	Total
Revenue	\$ 3,493,965	\$ 3,252,701	\$ 16,433,833	\$ -	\$ 23,180,499
Cost of revenue	(2,119,911)	(2,388,872)	(10,300,326)	-	(14,809,109)
Gross Profit (loss)	1,374,054	863,829	6,133,507	-	8,371,390
Depreciation	(816,271)	(60,834)	(698,759)	(64,649)	(1,640,513)
Impairment of goodwill and intangible assets	-	(397,357)	-	(2,153,170)	(2,550,527)
Share-based compensation	-	-	-	(1,865,198)	(1,865,198)
Transaction costs	-	-	-	(13,573)	(13,573)
Research and development	(587,679)	-	(314)	(580,397)	(1,168,390)
Other operating expenses	(2,788,212)	(2,345,296)	(8,295,285)	(17,227,627)	(30,656,420)
Loss before other items	\$ (2,818,108)	\$ (1,939,658)	\$ (2,860,851)	\$ (21,904,614)	\$ (29,523,231)
Interest expense	(150,911)	(47,647)	(542,613)	(18,501)	(759,672)
Revaluation of contingent consideration payable	-	-	-	621,728	621,728
Other items	(247,294)	(8,020)	9,199	(349,088)	(595,203)
Loss before income tax	\$ (3,216,313)	\$ (1,995,325)	\$ (3,394,265)	\$ (21,650,475)	\$ (30,256,378)
Net Loss	\$ (3,216,313)	\$ (1,995,325)	\$ (3,394,265)	\$ (21,650,475)	\$ (30,256,378)

As at August 31, 2023	Clinical Research Operations	Canadian Clinic Network	US Clinic Network	Corporate	Total
Long term investments and deposits	\$ 35,692	\$ -	\$ 81,498	\$ 2,365,487	\$ 2,482,677
Goodwill and other intangible assets	-	-	-	-	-
Property and equipment	2,693,971	738,687	6,339,645	22,855	9,795,158
Non-current assets	\$ 2,729,663	\$ 738,687	\$ 6,421,143	\$ 2,388,342	\$ 12,277,835
Total assets	\$ 3,917,523	\$ 2,025,305	\$ 7,589,561	\$ 10,799,638	\$ 24,332,027
Total capital expenditures	\$ 232,108	\$ 22,190	\$ 117,881	\$ 3,275	\$ 375,454
Total liabilities	\$ 1,954,657	\$ 1,359,019	\$ 6,178,124	\$ 791,521	\$ 10,283,321

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14. OPERATING SEGMENTS (continued)

For the year ended August 31, 2022	Clinical Research Operations	Canadian Clinic Network	US Clinic Network	Corporate	Total
Revenue	\$ 749,481	\$ 2,703,121	\$ 3,041,472	\$ -	\$ 6,494,074
Cost of Sales	(472,632)	(2,098,802)	(2,145,870)	-	(4,717,304)
Gross Profit (loss)	276,849	604,319	895,602	-	1,776,770
Depreciation and amortization expense	(518,294)	(58,906)	(358,796)	(46,345)	(982,341)
Write-off of assets	-	-	-	(494,535)	(494,535)
Impairment of goodwill and intangible assets	-	(127,366)	(13,147,639)	-	(13,275,005)
Share-based compensation	-	-	-	(3,454,867)	(3,454,867)
Transaction costs	-	-	-	(2,515,935)	(2,515,935)
Research and development	(683,872)	-	-	(1,201,165)	(1,885,037)
Other operating expenses	(2,011,857)	(1,770,816)	(1,769,821)	(18,352,560)	(23,905,054)
Loss before other items	\$ (2,937,174)	\$ (1,352,769)	\$ (14,380,654)	\$ (26,065,407)	\$ (44,736,004)
Interest expense	(126,511)	(34,259)	-	(396,888)	(557,658)
Revaluation of contingent consideration payable	-	(280,648)	-	-	(280,648)
Other items	(3,203)	-	192,128	469,499	658,424
Loss before income tax	\$ (3,066,888)	\$ (1,667,676)	\$ (14,188,526)	\$ (25,992,796)	\$ (44,915,886)
Deferred income tax recovery	-	34,000	-	-	34,000
Net Loss	\$ (3,066,888)	\$ (1,633,676)	\$ (14,188,526)	\$ (25,992,796)	\$ (44,881,886)

As at August 31, 2022	Clinical Research Operations	Canadian Clinic Network	US Clinic Network	Corporate	Total
Long term investments and deposits	\$ 35,692	\$ 10,750	\$ -	\$ 2,563,064	\$ 2,609,506
Goodwill and Intangibles	-	-	-	2,514,583	2,514,583
Property and equipment	3,452,153	733,861	7,180,255	18,529	11,384,798
Non-current assets	\$ 3,487,845	\$ 744,611	\$ 7,180,255	\$ 5,096,176	\$ 16,508,887
Total assets	\$ 4,653,714	\$ 2,423,048	\$ 13,091,393	\$ 32,462,756	\$ 52,630,911
Total liabilities	\$ 2,073,410	\$ 1,539,052	\$ 6,684,772	\$ 1,119,941	\$ 11,417,175

For the year ended August 31, 2023, \$59,121, \$160,937, and \$950,485 of depreciation expenses is included in cost of sales for Clinical Research Operations, the Canadian Clinic Network, and the US Clinic Network, respectively (2022 - \$112,120, \$171,013, and \$nil). \$23,019 and \$nil of depreciation expenses have been included in Corporate and Clinical Research Operations (2022 - \$20,407 and \$183,829). \$75,400 amortization of intangible assets has been included in depreciation expenses (2022 - \$35,975).

The following is a summary of the revenues and long-lived assets other than financial instruments of the Company by geographical region:

Geographical segments	Canada	United States	Total
Non-current assets other than financial instruments			
August 31, 2023	\$ 2,404,955	\$ 7,796,285	\$ 10,201,240
August 31, 2022	\$ 3,932,057	\$ 10,205,212	\$ 14,137,269
Year ended August 31, 2023			
Revenues	\$ 3,252,701	\$ 19,927,798	\$ 23,180,499
Gross profit	\$ 863,829	\$ 7,507,561	\$ 8,371,390
Year ended August 31, 2022			
Revenues	\$ 2,960,789	\$ 3,533,285	\$ 6,494,074
Gross profit	\$ 558,540	\$ 1,218,230	\$ 1,776,770

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15. INCOME TAXES

The provision for income taxes differs from the amount that would be computed by applying the expected tax rate to the Company's net loss. The differences between such expected income tax expense and the amount actually recorded are as follows:

	2023	2022
Loss before income taxes for the year	\$ (30,256,378)	\$ (44,915,886)
Expected income tax (recovery)	(8,169,000)	(12,248,000)
Change in statutory, foreign tax, foreign exchange rate and other	125,000	(4,220,000)
Permanent differences	477,000	5,006,000
Adjustment to prior year tax estimates	1,217,000	(37,000)
Foreign exchange	187,000	(41,000)
Change in unrecognized deductible temporary differences	6,163,000	11,506,000
Income tax expense (recovery)	\$ -	\$ (34,000)
Current income tax expense (recovery)	-	-
Deferred tax expense	-	(34,000)

The significant components of the Company's deferred tax assets and liabilities are as follows:

	2023	2022
Deferred tax assets (liabilities)		
Property and equipment and other	\$ (1,798,000)	\$ (1,531,000)
Intangible assets	-	(95,000)
Long-term investments	(124,000)	(51,000)
Non-capital losses	1,922,000	1,677,000
Net deferred tax liability	\$ -	\$ -

The significant components of the Company's deferred tax assets and liabilities are as follows that have not been included on the consolidated statement of financial position are as follows:

	2023	2022
Deferred tax assets (liabilities)		
Property and equipment	\$ 2,007,000	\$ 1,050,000
Share issuance costs	765,000	1,124,000
Lease obligations	1,754,000	1,912,000
Allowable capital losses	6,000	6,000
Non-capital losses available for future periods	22,949,000	17,226,000
	27,481,000	21,318,000
Unrecognized deferred tax assets	(27,481,000)	(21,318,000)
Net deferred tax liability	\$ -	\$ -

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15. INCOME TAXES (continued)

The significant components of the Company's temporary differences, and unused tax losses that have not been included on the consolidation statement of financial position are as follows:

	2023	Expiry date range	2022	Expiry date range
Temporary Differences				
Property and equipment	\$ 7,417,000	No expiry date	\$ 3,937,000	No expiry date
Share issuance costs	2,847,000	2044 to 2046	4,181,000	2043 to 2046
Lease obligations	6,965,000	No expiry date	7,574,000	No expiry date
Allowable capital losses	23,000	No expiry date	23,000	No expiry date
Non-capital losses available for future periods	\$ 84,814,000	2029 to 2043	63,757,000	2029 to 2042

Tax attributes are subject to review, and potential adjustment, by tax authorities.

16. FINANCIAL RISK MANAGEMENT

The Company's risk exposures and the impact on the Company's financial instruments are summarized below.

Fair value of financial assets and liabilities

IFRS 13 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are as follows:

- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2 Inputs other than quoted prices that are observable for the asset or liability either directly (i.e.: as prices) or indirectly (i.e.: derived from prices)
- Level 3 Inputs that are not based on observable market data

The fair value of cash and cash equivalents are measured using Level 1 inputs. The carrying values of trade and other receivables, and accounts payable and accrued liabilities approximate their respective fair values due to the short-term nature of these instruments. Debt approximates its fair value due to its market rate of interest. The Company's investment in Bienstar (Note 10) is classified as Level 2. The original cost base of the shares is observable based on the original agreements and the revaluation of the shares is determined based on updated valuation and foregoing exchange rate on the valuation date.

The Company's investment in Alto (Note 10) is classified as Level 3 (2022 – Level 3) as it is measured at fair value utilizing non-observable market inputs. The fair value was determined based on the net asset value ("NAV") per share of the SPV, as determined by the SPV administrator, which incorporates the fair value of the underlying investment in Alto, as determined by the SPV investment manager.

The Company's investment in Bienstar (Note 10) is classified as Level 23 (2022 – Level 2). The fair value of the Bienstar investment was determined using a market calibration approach. The Company considers investee company performance relative to plan, comparable peer group valuations and general sector conditions and calibrates its valuation of the investment as appropriate. During the year ended August 31, 2023, the valuation of the Bienstar investment was transferred from Level 2 inputs to Level 3 inputs.

The contingent consideration payable is included in Level 3, as certain assumptions used in the calculation of the fair value are not based on observable market data. Probability weighted revenues for the two and three years of the earn out is determined based on forecasts and probability factors. The Company has determined that the values of the current and remaining contingent considerations are \$nil for Mindspace and NCT due to the relevant milestones not being achievable.

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16. FINANCIAL RISK MANAGEMENT (continued)

	August 31, 2023		August 31, 2022	
Contingent Consideration Payable - Opening	\$	621,728	\$	350,000
Revaluation of contingent consideration - Mindspace		(396,728)		205,648
Contingent Consideration Paid - Mindspace		-		(183,920)
Contingent consideration on acquisition of NCT		-		175,000
Revaluation of contingent consideration - NCT		(225,000)		75,000
Total contingent consideration payable - Ending	\$	-	\$	621,728
Less: current portion		-		196,273
Non-current contingent consideration payable	\$	-	\$	425,455

Financial instrument risk management

The Company's exposures and the impact on its financial instruments are summarized below:

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash and cash equivalents, trade receivables and other receivables. The carrying amount of these financial assets represent the maximum credit exposure. Cash and cash equivalents are deposited with major Canadian and US financial institutions, and management believes the exposure to credit risk with respect to these institutions is not significant. The Company is exposed to credit risk inherent in its trade and other receivables which include credit exposures to customers and their outstanding trade receivables and other receivables balances. The maximum credit risk associated with cash and cash equivalents and trade and other receivables is equal to the carrying amount.

Liquidity risk

As at August 31, 2023, the Company's financial liabilities consist of accounts payable and accrued liabilities, long-term debt, and current contingent consideration payable which have contractual maturities within one year. The Company manages liquidity risk by reviewing its capital requirements on an ongoing basis. As at August 31, 2023, the Company has cash and cash equivalents of \$8,579,535 to meet its obligations as they become due.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. The Company is exposed to foreign currency risk through its financial assets and liabilities denominated in US dollars. A 10% appreciation (depreciation) of the US dollar against the Canadian dollar, with all other variables held constant, would result in an approximate change of \$224,000 to the Company's comprehensive loss for year ended August 31, 2023.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company holds cash in accounts with variable interest rates, and currently does not carry variable interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its financial institutions. As at August 31, 2023, the Company's interest rate risk mainly relates to cash balances and was considered to be minimal.

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16. FINANCIAL RISK MANAGEMENT (continued)

Capital management

The Company manages its capital structure and adjusts it based on the funds available to the Company, to support any business transaction and to safeguard its ability to continue as a going concern. The Board of Directors does not establish a 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.

The Company is largely dependent upon external financings to fund its operations. To carry out any planned business transaction and to continue to support the general administrative activities, the Company will spend its existing working capital and raise additional funds as needed.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management for the year ended August 31, 2023. The Company is not subject to externally imposed capital requirements.

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17. COMMITMENTS AND CONTINGENCIES

Lease obligations

The Company leases property for its corporate offices, clinics, research facilities, research equipment, and equipment for specific therapeutic treatments. The following table summarizes the Company's lease obligations:

	August 31, 2023	August 31, 2022
Current portion of lease obligations	\$ 1,486,453	\$ 1,378,460
Long term portion of lease obligations	5,478,401	6,195,413
Total Lease Obligations ⁽¹⁾	\$ 6,964,854	\$ 7,573,873

⁽¹⁾ Lease obligations have interest rates between 9%-13% per annum and with terms of up to 11 years

Future undiscounted lease payments are as follows:

	Years					
	0- 1	2-3	4-5	6-10	>10	Total
Lease Payments	\$2,125,484	\$3,214,725	\$2,318,588	\$1,185,607	-	\$8,844,404

A continuity of lease obligations is as follows:

	August 31, 2023	August 31, 2022
Opening balance	\$ 7,573,873	\$ 1,604,728
Acquisitions (Note 5)	-	6,293,521
Additions	797,832	3,649,153
Lease cancellation	(19,272)	(3,696,054)
Interest	716,346	392,277
Payments	(2,298,563)	(669,752)
Foreign exchange movement	194,638	-
Ending Balance	6,964,854	7,573,873
Less: current portion	(1,486,453)	(1,378,460)
Non-current lease obligation	5,478,401	6,195,413

For the year ended August 31, 2023, the Company expensed short term lease costs of \$162,943 respectively (2022 - \$83,144). The Company recognized a decrease of \$19,272 (2022- \$3,696,054) in its lease obligations due to a lease cancellation recognized during the year ended August 31, 2023. The Company recognized a loss of \$9,409 (2022 - gain of \$263,107) arising from this cancellation that has been recognized in other income.

Retention Shares

In connection with the acquisition of Mindspace, the Company has an obligation to issue \$100,000 in common shares per year, at the market price of the common shares at the time of issuance, on each of the first three anniversaries of the closing date, February 8, 2022. The first-year anniversary shares were issued on February 8, 2022. The second-year anniversary shares were issued on February 8, 2023.

Notice of Claim

The Company was served with a Notice of Claim dated December 23, 2019, which has been filed in the Supreme Court of British Columbia naming the Company as the defendant. The Notice of Claim alleges the wrongful termination of the former CEO/CFO and unpaid termination benefits of \$360,000. The Company believes the lawsuit is without merit and has filed a response accordingly. No provision has been made by the Company with regards to the Notice of Claim and the claim is still ongoing.

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18. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Chief Strategy Officer. Remuneration attributed to key management personnel can be summarized as follows:

	For the year ended August 31,	
	2023	2022
Salaries and benefits	\$ 928,379	\$ 736,719
Director fees and expenses	100,000	101,576
Share-based compensation	453,422	1,194,126
Total	\$ 1,481,801	\$ 2,032,421

Trade and other receivables for the year ended August 31, 2023, on the consolidated statements of financial position include related party receivables of \$346,304 relating to the withholding taxes that were remitted by the Company on behalf of RSU holders.

19. SUPPLEMENTAL CASH FLOW INFORMATION

Non-cash transactions for the year ended August 31, 2023, and 2022 are as follows:

Supplemental cash flow information:	2023	2022
Cash paid for interest	\$ 741,229	\$ 398,441
Cash received from tax recovery	-	-
Cash paid for income tax	-	-
Equity consideration on acquisition of NCT	-	171,169
Equity consideration on acquisition of Novamind	-	15,858,251
Equity consideration on acquisition of Mindspace	271,416	333,088
Equity consideration on Mindspace revenue milestone	-	183,920
Equity consideration on retention shares	-	100,000
Non-cash lease addition	797,832	3,649,153
Transfer of share-based payment reserve upon exercise of stock options, warrants, and RSUs	337,382	1,653,742

Cash and cash equivalents is comprised of:	August 31, 2023	August 31, 2022
Cash	\$ 8,464,535	\$ 32,940,295
Cash equivalents	115,000	103,750

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20. SUBSEQUENT EVENTS

Numinus Bioscience

On September 18, 2023, the Company announced that it would be ceasing operating activities at Numinus Bioscience, its non-revenue generating research lab.

Arizona Wellness Clinics and Research

On September 18, 2023, the Company announced that it would be consolidating operations from its Peoria in Phoenix, AZ, with another clinic in Dunlap. On November 29, 2023, the Company announced that as part of its strategy to focus resources on sustainable and cash flow positive operations, its clinic and research services in its Phoenix locations will be wound down.

At-the-Market Financing

As at August 31, 2023, the Company had not issued at common shares under its At-the-Market (“ATM”) offering. Subsequent to the year end, the Company issued 628,500 common shares at an average price of \$0.12 for gross proceeds of \$76,305 and net proceeds of \$74,779 after commissions of \$1,526 were paid to Stifel Canada.