



NUMINUS

NUMINUS WELLNESS INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the Three and Nine Months Ended May 31, 2023 and 2022

(Expressed in Canadian Dollars)

NUMINUS WELLNESS INC.

Condensed Consolidated Interim Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

As at	Note		May 31, 2023		August 31, 2022
Current assets					
Cash and cash equivalents	17	\$	12,955,933	\$	33,044,045
Trade and other receivables	5, 16		2,541,459		1,601,679
Prepaid expenses	6		1,694,547		1,476,300
			17,191,939		36,122,024
Non-current assets					
Property and equipment	7		10,749,465		11,384,798
Investments	9		2,451,848		2,371,618
Deposits and prepaid expenses	6		45,034		237,888
Goodwill and other intangible assets	8		2,458,188		2,514,583
Total assets		\$	32,896,474	\$	52,630,911
Current liabilities					
Accounts payable and accrued liabilities		\$	2,560,157	\$	2,709,743
Current portion of long-term debt	10		69,707		63,485
Deferred Revenue			125,271		235,197
Current portion of lease obligations	15		1,481,043		1,378,460
Current portion of contingent consideration payable	4, 14		50,000		196,273
			4,286,178		4,583,158
Non-current liabilities					
Long-term debt	10		179,310		213,149
Contingent consideration payable	4, 14		-		425,455
Lease obligations	15		5,915,990		6,195,413
Total liabilities		\$	10,381,478	\$	11,417,175
Shareholders' equity					
Share capital	11		112,090,392		109,199,506
Obligation to issue equity	11		-		1,087,671
Reserves	11		17,660,330		17,472,377
Accumulated other comprehensive income			292,401		64,248
Deficit			(107,528,127)		(86,610,066)
Total equity			22,514,996		41,213,736
Total liabilities and shareholders' equity		\$	32,896,474	\$	52,630,911
Nature of operations	1				
Commitments and contingencies	15				
Subsequent events	18				

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

NUMINUS WELLNESS INC.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)

	Note	For the three months ended		For the nine months ended	
		May 31, 2023	May 31, 2022	May 31, 2023	May 31, 2022
Revenue	13	\$ 6,027,092	\$ 741,064	\$ 17,049,683	\$ 2,316,785
Cost of revenue		3,946,272	560,219	10,486,793	1,856,216
Gross profit		2,080,820	180,845	6,562,890	460,569
Expenses					
General and administration	12	7,744,930	5,269,941	22,563,999	13,732,709
Share-based compensation	11, 16	345,402	212,321	1,075,171	2,242,779
Sales and marketing		381,216	441,723	1,569,269	1,631,887
Depreciation	7, 8	432,195	173,219	1,272,333	353,868
Research and development		267,289	506,665	968,109	1,311,805
Transaction costs		-	456,747	13,573	521,669
Total expenses		9,171,032	7,060,616	27,462,454	19,794,717
Loss before other items		(7,090,212)	(6,879,771)	(20,899,564)	(19,334,148)
Interest expense and other finance cost		(188,777)	(140,044)	(567,109)	(353,900)
Interest and other finance income		3,624	2	4,363	81
Other income		2,786	-	73,726	-
Foreign exchange loss		(7,203)	(2,167)	(53,278)	(8,785)
Revaluation of contingent consideration payable	14	-	13,868	571,728	(503,051)
Loss from operations before taxes		\$ (7,279,782)	\$ (7,008,112)	\$ (20,870,134)	\$ (20,199,803)
Income tax expense (recovery)		(9,385)	-	(47,927)	-
Net loss		\$ (7,289,167)	\$ (7,008,112)	\$ (20,918,061)	\$ (20,199,803)
Other comprehensive income		(6,616)	-	228,153	-
Comprehensive loss		\$ (7,295,783)	\$ (7,008,112)	\$ (20,689,908)	\$ (20,199,803)
Loss per share, basic and diluted		\$ (0.03)	\$ (0.03)	\$ (0.08)	\$ (0.10)
Weighted average number of common shares outstanding, basic and diluted		261,742,612	210,247,839	262,731,916	207,754,844

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

NUMINUS WELLNESS INC.

Condensed Consolidated Interim Statements of Cash Flows
(Unaudited - in Canadian Dollars)

		For the nine months ended May 31,	
	Note	2023	2022
Cash flows from operating activities			
Net loss		\$ (20,918,061)	\$ (20,199,803)
Items not affecting cash:			
Depreciation	7, 8	2,162,638	770,435
Share-based compensation		1,075,171	2,242,778
Interest and interest accretion		428,507	335,747
Loss on disposal of assets		9,577	-
Gain on long-term investments	9	(80,230)	-
Revaluation of contingent consideration payable	14	(571,728)	503,052
		(17,894,126)	(16,347,791)
Changes in non-cash working capital			
Accounts receivable		(939,780)	150,788
Inventory		-	-
Prepaid expenses		(25,393)	(610,939)
Accounts payable and accrued liabilities		(149,586)	423,904
Deferred revenue		(109,926)	(14,729)
Cash used in operating activities		(19,118,811)	(16,398,767)
Cash flows from investing activities			
Neurology Centre of Toronto acquisition	4	-	(300,000)
Bank overdraft from acquisition of Neurology Centre of Toronto	4	-	(1,535)
Proceeds from disposal of assets	7	5,435	600
Purchase of property and equipment		(374,367)	(1,010,972)
Cash used in investing activities		(368,932)	(1,311,907)
Cash flows from financing activities			
Proceeds from warrants exercised	11	844,120	350,640
Proceeds from options exercised	11	71,877	340,445
Lease payment	15	(1,366,849)	(487,175)
Repayment of loans	10	(56,867)	-
Cash generated by financing activities		(507,719)	203,910
Effect of foreign exchange on cash		(92,650)	-
Change in cash and cash equivalents during the period		(20,088,112)	(17,506,764)
Cash and cash equivalents, beginning of the period		33,044,045	59,292,968
Cash and cash equivalents, end of the period		\$ 12,955,933	\$ 41,786,204

Supplemental cash flow information (Note 17)

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

NUMINUS WELLNESS INC.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
(Unaudited - 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	435,012	(94,567)	-	-	-	340,445
Exercise of warrants		739,280	379,197	(28,557)	-	-	-	350,640
Shares issued for acquisition of MindSpace		725,668	535,251	(101,515)	(249,816)	-	-	183,920
Shares issued for acquisition of NCT		206,228	171,169	-	-	-	-	171,169
Shares issued for settlement		2,000,000	1,220,000	-	-	-	-	1,220,000
Share-based compensation		-	-	1,022,779	-	-	-	1,022,779
Loss for the period		-	-	-	-	-	(20,199,803)	(20,199,803)
Balance, May 31, 2022		208,650,250	\$ 91,609,249	\$ 13,988,940	\$ 249,816	\$ -	\$ (61,927,983)	\$ 43,920,022
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	11	287,504	109,370	(37,493)	-	-	-	71,877
Exercise of warrants	11	2,411,774	940,471	(96,351)	-	-	-	844,120
Shares issued in exchange for RSUs	11	4,128,411	1,058,087	(136,960)	(921,127)	-	-	-
Shares issued for acquisition of MindSpace	11	1,116,653	437,960	-	(166,544)	-	-	271,416
Share-based compensation		1,500,000	344,998	458,757	-	-	-	803,755
Comprehensive loss for the period		-	-	-	-	228,153	(20,918,061)	(20,689,908)
Balance, May 31, 2023		265,681,722	\$ 112,090,392	\$ 17,660,330	\$ -	\$ 292,401	\$ (107,528,127)	\$ 22,514,996

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

NUMINUS WELLNESS INC.

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited - Expressed in Canadian Dollars)

For the three and nine months ended May 31, 2023 and 2022

1. NATURE OF OPERATIONS

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 400 - 725 Granville Street, Pacific Centre, Vancouver, British Columbia, Canada V7Y 1G5.

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 Cedar Psychiatry Inc. (“Cedar Psychiatry”) 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. 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 a diversity of professionals a certification pathway 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. The certification pathway developed by the Company has been approved by the following accreditation bodies:

- Canadian Psychological Association (CPA)
- L'ordre des psychologues du Québec (OPQ)
- Canadian Counselling and Psychotherapy Association (CCPA)
- USA National Board for Certified Counsellors (NBCC) as an approved Continuing Education Provider, ACEP No. 7360

NUMINUS WELLNESS INC.

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited - Expressed in Canadian Dollars)

For the three and nine months ended May 31, 2023 and 2022

2. SIGNIFICANT ACCOUNTING POLICIES

These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting, and do not include all the information required for full annual financial statements. Accordingly, these condensed consolidated interim financial statements should be read in conjunction with our audited consolidated financial statements for the year ended August 31, 2022. Except as described below, the accounting policies applied in the preparation of these unaudited condensed interim financial statements are consistent with those applied and disclosed in our audited consolidated financial statements for the year ended August 31, 2022.

a) Basis of Preparation

These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board. These unaudited condensed consolidated interim financial statements were authorized for issue by our Board of Directors on July 17, 2023.

b) Basis of Measurement

These unaudited condensed consolidated interim financial statements have been prepared on a historical cost basis, except for the revaluation of certain financial assets and financial liabilities to fair value. In addition, these unaudited condensed consolidated interim 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 unaudited condensed consolidated interim 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
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
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
Cedar Psychiatry 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. N. G. Barclay Corporation. All intercompany transactions and balances have been eliminated.

NUMINUS WELLNESS INC.

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited - Expressed in Canadian Dollars)

For the three and nine months ended May 31, 2023 and 2022

2. 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.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of financial statements requires the use of assumptions, judgements and/or estimates that affect the amounts reported and disclosed in the consolidated financial statements and related notes. These assumption, judgements and 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 financial statements. The significant judgements and estimates applied in the preparation of the unaudited condensed consolidated interim financial statements as at and for the three and nine months ended May 31, 2023, are consistent with those applied and disclosed in Note 2 to our audited consolidated financial statements for the year ended August 31, 2022.

NUMINUS WELLNESS INC.

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited - Expressed in Canadian Dollars)

For the three and nine months ended May 31, 2023 and 2022

4. 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 8). 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 Condensed Consolidated Interim Financial Statements

(Unaudited - Expressed in Canadian Dollars)

For the three and nine months ended May 31, 2023 and 2022

4. 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 of \$14,952,287 (Note 8). 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.

NUMINUS WELLNESS INC.

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited - Expressed in Canadian Dollars)

For the three and nine months ended May 31, 2023 and 2022

4. ACQUISITIONS (continued)

B. Acquisition of Novamind Inc. (continued)

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:

	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

NUMINUS WELLNESS INC.

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited - Expressed in Canadian Dollars)

For the three and nine months ended May 31, 2023 and 2022

5. TRADE AND OTHER RECEIVABLES

	May 31, 2023	August 31, 2022
Trade receivables ¹	\$ 1,721,769	\$ 1,398,015
Input tax credit receivables	101,650	169,565
Other receivables ²	718,040	34,099
	\$ 2,541,459	\$ 1,601,679

¹ For the nine months ended May 31, 2023, \$565,256 of aged accounts receivables associated with the Company's US clinic network determined to be uncollectible and written off (May 31, 2022 - \$Nil)

² A portion of other receivables relates to related party transactions (refer to Note 16)

6. PREPAID EXPENSES AND DEPOSITS

	May 31, 2023	August 31, 2022
Marketing	\$ 348,447	\$ 468,569
Insurance	725,009	536,069
Rent	98,010	106,618
Consulting	200,766	55,159
IT Expenses	217,106	197,240
Filing Fees	19,773	66,618
Others	85,436	46,027
Prepaid expenses	\$ 1,694,547	\$ 1,476,300
Non-current deposits and prepaid expenses	\$ 45,034	\$ 237,888

NUMINUS WELLNESS INC.

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited - Expressed in Canadian Dollars)

For the three and nine months ended May 31, 2023 and 2022

7. 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	274,007	34,547	3,275	58,860	-	799,888	3,678	1,174,255
Disposals	(30,646)	-	-	(7,782)	-	(51,762)	(3,678)	(93,868)
Foreign exchange	69,358	832	938	12,726	16,993	257,593	-	358,440
Balance, May 31, 2023	\$ 3,471,584	\$ 1,742,427	\$ 275,923	\$ 561,680	\$ 2,280,785	\$ 7,824,442	\$ -	\$ 16,156,841
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)	-	(33,913)	-	(55,906)
Depreciation ¹	400,060	192,149	20,541	81,231	432,261	980,001	-	2,106,243
Foreign exchange	4,553	68	78	1,040	3,180	14,904	-	23,823
Balance, May 31, 2023	\$ 1,173,212	\$ 862,540	\$ 206,624	\$ 172,111	\$ 1,301,805	\$ 1,691,084	\$ -	\$ 5,407,376
Net book value at May 31, 2023	\$ 2,298,372	\$ 879,887	\$ 69,299	\$ 389,569	\$ 978,980	\$ 6,133,358	\$ -	\$ 10,749,465

¹ For the three and nine months ended May 31, 2023, \$301,893 and \$873,086 of depreciation expense, respectively, is included in cost of revenue (2022 - \$43,845 and \$239,197, respectively). In addition, for the three and nine months ended May 31, 2023, \$5,740 and \$17,219 of depreciation expenses, respectively, is included in research and development (2022 - \$74,533 and \$177,370, respectively).

² During the three and nine months ended May 31, 2023, the Company recognized proceeds from the disposition of assets of \$1,435 and \$5,435, respectively (2022 - \$600 and \$600, respectively) and a gain of \$1,435 and a loss of \$9,577, respectively (2022 - \$Nil and \$Nil, respectively) 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, Aug 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	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, Aug 31, 2022	\$ 788,413	\$ 670,323	\$ 186,005	\$ 92,019	\$ 866,364	\$ 730,092	\$ -	\$ 3,333,216
Net book value at Aug 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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8. 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
Amortization	(12,117)	(44,278)	-	(56,395)
Balance, May 31, 2023	\$ 53,660	\$ 232,845	\$ 2,171,683	\$ 2,458,188

For the three and nine months ended May 31, 2023, Amortization of intangible assets of \$19,004 and \$56,395, respectively (2022 - \$nil and \$nil, respectively) is included in depreciation expense on the condensed consolidated interim statement of loss and comprehensive loss.

9. INVESTMENTS

As part of the Novamind acquisition (Note 4), 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 is valued at \$1,549,856 (Note 4). As at May 31, 2023, the Company's investment in the SPV is valued at \$1,771,698 (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, which incorporates the fair value of the underlying investment in Alto, as determined by the SPV investment manager. The latest valuation is based on the valuation report received in December 2022 and there has been no change as of May 31, 2023.
- 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 4). As at May 31, 2023, the Company's investment in Bienstar is valued at \$680,150 (August 31, 2022 - \$655,550). The fair value of Bienstar was determined based on observable market transactions and there was no change in the valuation (in US\$) since the acquisition in November 2021. The Company has recognized an unrealized gain due to changes in foreign exchange.

	SPV*	Bienstar	Total
Balance, August 31, 2021	\$ -	\$ -	\$ -
Additions (Note 4)	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	55,630	24,600	80,230
Balance, May 31, 2023	\$ 1,771,698	\$ 680,150	\$ 2,451,848

*A 10% increase of NAV of the SPV would yield a valuation of \$1,948,867 and 10% decrease of NAV of the SPV would yield a valuation of \$1,594,528

NUMINUS WELLNESS INC.

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10. LONG-TERM DEBT

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 4). 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 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 May 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 4)		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		(12,152)		(44,715)		(56,867)
Accretion expense		3,301		-		3,301
Interest		7,567		8,246		15,813
Translation adjustment		5,785		4,351		10,136
Balance, May 31, 2023	\$	158,867	\$	90,150	\$	249,017
Allocated as:						
Current		16,307		53,400		69,707
Non-current		142,560		36,750		179,310
Balance, May 31, 2023	\$	158,867	\$	90,150	\$	249,017

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11. SHARE CAPITAL AND RESERVES

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

As at May 31, 2023, nil shares (August 31, 2022 – nil shares) were held in escrow.

During the nine months ended May 31, 2023, the Company issued 1,116,653 common shares with a fair value of \$437,960 as part of the Mindspace acquisition consideration valued at the closing price of the Company's shares on February 8, 2021.

During the nine months ended May 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 nine months ended May 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 nine months ended May 31, 2023, the Company issued 4,128,411 common shares of the Company valued at \$1,058,087 relating to the exchange of vested restricted share units.

During the nine months ended May 31, 2023, the Company issued 1,500,000 common shares with a fair value of \$344,998 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 4).

On January 4, 2022, the Company issued 2,000,000 common shares with a fair value of \$1,220,000 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 \$101,515 as part of the retention shares on the first anniversary of the acquisition of Mindspace.

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.

During the nine months ended May 31, 2022, the Company issued 165,441 common shares with a fair value of \$249,816 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 nine months ended May 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 \$94,567 from reserves to share capital on the exercise of these options.

During the nine months ended May 31, 2022, the Company issued an aggregate of 739,280 common shares on the exercise of warrants for gross proceeds of \$350,640. The Company also reclassified \$28,557 from reserves to share capital on the exercise of these warrants.

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11. SHARE CAPITAL AND RESERVES (continued)

Warrants

The changes in warrants during the nine months ended May 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	-	-
Exercised	(2,411,774)	\$0.35	(739,280)	\$0.47
Expired	(30,645,331)	\$1.29	(7,399,491)	\$0.62
Outstanding, May 31,	11,340,000	\$0.60	32,519,071	\$1.22

¹Issued pursuant to compensation options exercised

The following table summarizes share purchase warrants outstanding as at May 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

Stock Options

The Company has adopted a stock option plan (the "Plan") for its directors, officers, employees and consultants to acquire common shares of the Company. The maximum number of common shares issuable under the Plan cannot exceed 10% of the issued and outstanding common shares of the Company as at the date of shareholder approval. Options 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 option 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.

The changes in stock options and compensation options during the nine months ended May 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	825,000	\$0.24	1,875,000	\$0.53
Exercised	(287,504)	\$0.25	(1,902,000)	\$0.18
Expired	(5,556,118)	\$1.07	(2,987,500)	\$0.23
Forfeited	(100,000)	\$0.36	(613,000)	\$0.89
Outstanding, May 31,	6,518,682	\$0.49	7,946,622	\$0.92

NUMINUS WELLNESS INC.

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For the three and nine months ended May 31, 2023 and 2022

11. SHARE CAPITAL AND RESERVES (continued)

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

Expiry Date	Number of Options	Options Exercisable	Weighted Average Exercise Price	Weighted Average Life (months)
June 7, 2023 ¹	20,000	20,000	\$0.97	0.2
June 21, 2023 ¹	130,000	130,000	\$1.01	0.7
June 29, 2023 ¹	150,000	150,000	\$0.94	1.0
September 1, 2023	48,000	48,000	\$0.50	3.1
November 30, 2023	100,000	100,000	\$0.53	6.1
December 31, 2023	667,500	509,381	\$0.53	7.1
February 28, 2024	907,500	676,887	\$0.53	9.1
March 31, 2024	200,000	157,500	\$0.49	10.2
April 23, 2024	200,000	200,000	\$0.27	10.9
August 4, 2024	540,000	270,003	\$0.29	14.4
August 31, 2024	30,000	15,000	\$0.36	15.3
October 31, 2024	90,000	45,003	\$0.27	17.3
November 30, 2024	110,000	55,000	\$0.25	18.3
December 30, 2024	140,000	35,003	\$0.19	19.3
January 31, 2025	180,000	45,006	\$0.27	20.4
February 28, 2025	135,000	33,750	\$0.22	21.3
April 30, 2025	165,000	120,000	\$0.37	23.3
December 11, 2025	2,453,682	2,453,682	\$0.48	30.8
December 22, 2025	252,000	252,000	\$1.19	31.2
Total	6,518,682	5,316,215	\$0.49	19.4

¹300,000 options expired unexercised subsequent to May 31, 2023

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11. SHARE CAPITAL AND RESERVES (continued)

The fair value of stock options and compensation options were calculated using the Black-Scholes Option Pricing Model using the following weighted average assumptions as of May 31:

	2023	2022
Weighted average fair value per share	\$0.18	\$0.53
Risk-free interest rate	3.72%	1.31%
Expected life of options	2 years	2 years
Annualized volatility	72.03%	104.76%
Dividend rate	-	0%
Weighted average fair value per option	\$0.07	\$0.29

The share-based payments expense for the three and nine months ended May 31, 2023 was \$345,402 and \$1,075,171, respectively (2022 - \$212,321 and \$2,242,779, respectively).

- \$Nil and \$Nil, respectively, related to retention shares vested during the period (2022 - \$21,000 and \$106,955, respectively).
- \$Nil and \$Nil, respectively, related to employment settlement (2022 - \$1,220,000 and \$1,220,000, respectively).
- \$56,874 and \$284,949, respectively, related to the vesting of share purchase options (2022 - \$191,321 and \$915,824, respectively).
- \$34,624 and \$173,808, respectively, related to the restricted share units (2022 - \$Nil and \$Nil, respectively).
- \$171,404 and \$271,416, respectively, related to the acquisition milestone of Mindspace (2022 - \$183,920 and \$183,920 respectively).
- \$82,500 and \$344,998, respectively, related to shares issued to the Company's former Chief Medical Officer transitioning to an advisory role for the Company (2022 - \$Nil and \$Nil, respectively).

12. GENERAL AND ADMINISTRATION EXPENSES

General and administrative expenses consist of the following:

	Three months ended May 31,		Nine months ended May 31,	
	2023	2022	2023	2022
Salary and wages (note 16)	\$ 4,214,063	\$ 2,020,124	\$ 12,433,244	\$ 5,658,639
Professional and consulting fees	1,384,071	1,337,436	4,888,711	4,532,341
Office and miscellaneous	2,146,796	1,912,381	5,242,044	3,541,729
	\$ 7,744,930	\$ 5,269,941	\$ 22,563,999	\$ 13,732,709

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13. 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, neurology services, 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 traditional therapy and counseling, ketamine-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:

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13. OPERATING SEGMENTS (continued)

Three months ended May 31, 2023	Clinical Research Operations		Canadian Clinic Network		US Clinic Network		Corporate		Total	
Revenue	\$	1,025,343	\$	899,527	\$	4,102,222	\$	-	\$	6,027,092
Cost of revenue		(705,582)		(638,476)		(2,602,214)		-		(3,946,272)
Gross Profit (loss)		319,761		261,051		1,500,008		-		2,080,820
Depreciation		(217,908)		(21,244)		(182,673)		(10,370)		(432,195)
Share-based compensation		-		-		-		(345,402)		(345,402)
Research and development		(127,658)		-		-		(139,631)		(267,289)
Other operating expenses		(826,433)		(556,966)		(2,321,585)		(4,421,162)		(8,126,146)
Loss before other items	\$	(852,238)	\$	(317,159)	\$	(1,004,250)	\$	(4,916,565)	\$	(7,090,212)
Interest expense		(36,658)		(11,280)		(139,924)		(915)		(188,777)
Revaluation of contingent consideration payable		-		-		-		-		-
Other items		1,527		589		4,096		(7,005)		(793)
Loss before income tax	\$	(887,369)	\$	(327,850)	\$	(1,140,078)	\$	(4,924,485)	\$	(7,279,782)
Income tax expense (recovery)		-		-		-		(9,385)		(9,385)
Net Loss	\$	(887,369)	\$	(327,850)	\$	(1,140,078)	\$	(4,933,870)	\$	(7,289,167)

As at May 31, 2023	Clinical Research Operations		Canadian Clinic Network		US Clinic Network		Corporate		Total	
Long term investments and deposits	\$	35,692	\$	-	\$	-	\$	2,461,190	\$	2,496,882
Goodwill and other intangible assets		-		403,406		-		2,054,782		2,458,188
Property and equipment		3,129,810		788,097		6,803,101		28,457		10,749,465
Non-current assets	\$	3,165,502	\$	1,191,503	\$	6,803,101	\$	4,544,429	\$	15,704,535
Total assets	\$	4,670,818	\$	2,296,917	\$	8,062,965	\$	17,865,774	\$	32,896,474
Total liabilities	\$	1,857,090	\$	1,322,655	\$	6,603,713	\$	598,020	\$	10,381,478

Nine months ended May 31, 2023	Clinical Research Operations		Canadian Clinic Network		US Clinic Network		Corporate		Total	
Revenue	\$	2,322,829	\$	2,425,700	\$	12,301,154	\$	-	\$	17,049,683
Cost of revenue		(1,259,261)		(1,766,036)		(7,461,496)		-		(10,486,793)
Gross Profit (loss)		1,063,568		659,664		4,839,658		-		6,562,890
Depreciation		(648,489)		(45,575)		(530,023)		(48,246)		(1,272,333)
Share-based compensation		-		-		-		(1,075,171)		(1,075,171)
Transaction costs		-		-		-		(13,573)		(13,573)
Research and development		(426,282)		-		(315)		(541,512)		(968,109)
Other operating expenses		(2,169,706)		(1,655,340)		(6,724,103)		(13,584,119)		(24,133,268)
Loss before other items	\$	(2,180,909)	\$	(1,041,251)	\$	(2,414,783)	\$	(15,262,621)	\$	(20,899,564)
Interest expense		(116,600)		(35,443)		(411,143)		(3,923)		(567,109)
Revaluation of contingent consideration payable		-		-		-		571,728		571,728
Other items		122		(8,820)		4,096		29,413		24,811
Loss before income tax	\$	(2,297,387)	\$	(1,085,514)	\$	(2,821,830)	\$	(14,665,403)	\$	(20,870,134)
Income tax expense (recovery)		-		(12,437)		-		(35,490)		(47,927)
Net Loss	\$	(2,297,387)	\$	(1,097,951)	\$	(2,821,830)	\$	(14,700,893)	\$	(20,918,061)

For the three months ended May 31, 2023, \$14,971, \$40,778, and \$246,145 of depreciation expenses is included in cost of sales for the and Clinical Research Operations, Canadian Clinic Network, and US Clinic Network, respectively.

For the nine months ended May 31, 2023, \$44,312, \$120,158, and \$708,617 of depreciation expenses is included in cost of sales for the and Clinical Research Operations, Canadian Clinic Network, and US Clinic Network, respectively.

For the three and nine months ended May 31, 2023, \$5,740 and \$17,219 of depreciation expenses, respectively, have been included in research and development at Corporate.

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13. OPERATING SEGMENTS (continued)

Three months ended May 31, 2022	Clinical Research Operations	Canadian Clinic Network	US Clinic Network	Corporate	Total
Revenue	\$ 10,000	\$ 731,064	\$ -	\$ -	\$ 741,064
Cost of Sales	(2,840)	(557,379)	-	-	(560,219)
Gross Profit (loss)	7,160	173,685	-	-	180,845
Depreciation and amortization expense	(140,986)	(9,469)	-	(22,764)	(173,219)
Other operating expenses	(561,995)	(501,168)	-	(5,824,234)	(6,887,397)
Loss before other items	\$ (695,821)	\$ (336,952)	\$ -	\$ (5,846,998)	\$ (6,879,771)
Interest expense	(30,691)	(8,511)	-	(100,842)	(140,044)
Revaluation of contingent consideration payable	-	13,868	-	-	13,868
Other items	(1,315)	-	-	(852)	(2,167)
Loss before income tax	\$ (727,827)	\$ (331,595)	\$ -	\$ (5,948,692)	\$ (7,008,114)

As at May 31, 2022	Clinical Research Operations	Canadian Clinic Network	US Clinic Network	Corporate	Total
Long term investments and deposits	\$ 42,691	\$ 10,750	\$ -	\$ 48,770	\$ 102,211
Goodwill and Intangibles	-	537,277	-	-	537,277
Property and equipment	2,678,065	787,267	-	3,803,504	7,268,836
Non-current assets	\$ 2,720,756	\$ 1,335,294	\$ -	\$ 3,852,274	\$ 7,908,324
Total assets	\$ 3,284,416	\$ 2,768,069	\$ -	\$ 45,722,154	\$ 51,774,639
Total liabilities	\$ 1,460,563	\$ 1,615,620	\$ -	\$ 4,778,434	\$ 7,854,617

Nine months ended May 31, 2022	Clinical Research Operations	Canadian Clinic Network	US Clinic Network	Corporate	Total
Revenue	\$ 257,668	\$ 2,059,117	\$ -	\$ -	\$ 2,316,785
Cost of Sales	(303,447)	(1,552,769)	-	-	(1,856,216)
Gross Profit (loss)	(45,779)	506,348	-	-	460,569
Depreciation and amortization expense	(299,298)	(26,884)	-	(27,686)	(353,868)
Other operating expenses	(1,586,066)	(1,235,161)	-	(16,619,622)	(19,440,849)
Loss before other items	\$ (1,931,143)	\$ (755,697)	\$ -	\$ (16,647,308)	\$ (19,334,148)
Interest expense	(98,168)	(26,210)	-	(229,441)	(353,819)
Revaluation of contingent consideration payable	-	(503,051)	-	-	(503,051)
Other items	(2,099)	-	-	(6,686)	(8,785)
Loss before income tax	\$ (2,031,410)	\$ (1,284,958)	\$ -	\$ (16,883,435)	\$ (20,199,803)

NUMINUS WELLNESS INC.

Notes to the Condensed Consolidated Interim Financial Statements

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For the three and nine months ended May 31, 2023 and 2022

13. OPERATING SEGMENTS (continued)

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					
May 31, 2023	\$	3,253,710	\$	9,998,977	\$ 13,252,687
August 31, 2022	\$	3,932,057	\$	10,205,212	\$ 14,137,269
Three months ended, May 31, 2023					
Revenues	\$	899,527	\$	5,127,565	\$ 6,027,092
Gross profit	\$	261,051	\$	1,819,769	\$ 2,080,820
Nine months ended, May 31, 2023					
Revenues	\$	2,425,700	\$	14,623,983	\$ 17,049,683
Gross profit	\$	659,664	\$	5,903,226	\$ 6,562,890
Three months ended, May 31, 2022					
Revenues	\$	741,064	\$	-	\$ 741,064
Gross profit	\$	180,845	\$	-	\$ 180,845
Nine months ended, May 31, 2022					
Revenues	\$	2,316,785	\$	-	\$ 2,316,785
Gross profit	\$	460,569	\$	-	\$ 460,569

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14. 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); and
- 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 9) 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 the foregoing exchange rate on the valuation date.

The Company's investment in Alto (Note 9) is classified as 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 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 revenue for the two and three years of the earn out based on forecast and probability factors.

	May 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		(175,000)		75,000
Total contingent consideration payable - Ending	\$	50,000	\$	621,728
Less: current portion		50,000		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.

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14. FINANCIAL RISK MANAGEMENT (continued)

Liquidity Risk

As at May 31, 2023, the Company's financial liabilities consist of accounts payable and accrued liabilities 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 May 31, 2023, the Company has cash and cash equivalents of \$12,955,933 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 \$710,000 to the Company's comprehensive loss for nine months ended May 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. It is management's opinion that the Company is not exposed to significant interest rate risk.

Price Risk

Price risk is the risk of the variability in fair value due to movements in equity or market prices. The Company's investments are susceptible to price risk arising from future uncertainties, future values and the impact of market conditions. The fair value of investments is based on various valuation techniques and is dependent on the type and terms of the investments. Refer to Note 9 for details on the Company's investments.

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 nine months ended May 31, 2023. The Company is not subject to externally imposed capital requirements.

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15. COMMITMENTS AND CONTINGENCIES

Lease Obligations

	May 31, 2023	August 31, 2022
Current portion of lease obligations	\$ 1,481,043	\$ 1,378,460
Long term portion of lease obligations	5,915,990	6,195,413
Total Lease Obligations ¹	\$ 7,397,033	\$ 7,573,873

¹Lease obligations have interest rates between 9%-12.75% per annum 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	\$2,164,800	\$3,459,760	\$2,409,192	\$1,432,288	-	\$9,466,040

A continuity of lease obligations is as follows:

	May 31, 2023	August 31, 2022
Opening balance	\$ 7,573,873	\$ 1,604,728
Acquisitions (Note 4)	-	6,293,521
Additions	799,888	3,649,153
Lease Cancellation	(19,272)	(3,696,054)
Interest	409,393	392,277
Payments	(1,366,849)	(669,752)
Ending Balance	7,397,033	7,573,873
Less: current portion	(1,481,043)	(1,378,460)
Non-current lease obligation	5,915,990	6,195,413

For the three and nine months ended May 31, 2023, the Company expensed short term lease costs of \$34,999 and \$130,852, respectively (2022 - \$1,666 and \$9,940, respectively). The Company recognized a decrease of \$19,272 (2022- \$Nil) in its lease obligation due to a lease cancellation recognized during the nine months ended May 31, 2023. The Company recognized a loss of \$9,409 (2022- \$Nil) 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, 2021. The first-year anniversary shares were issued on February 8, 2022. The second-year anniversary shares were issued 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.

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Notes to the Condensed Consolidated Interim Financial Statements

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16. 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 Finance Officer and Chief Strategy Officer.

Remuneration attributed to key management personnel can be summarized as follows:

	For the three months ended May 31,		For the nine months ended May 31,	
	2023	2022	2023	2022
Salaries and benefits	\$ 215,280	\$ 174,017	\$ 645,841	\$ 521,438
Director fees and expenses	25,000	25,000	75,000	76,576
Share-based compensation	23,444	64,943	162,577	305,917
Total	\$ 263,724	\$ 263,960	\$ 883,418	\$ 903,931

Trade and other receivables for the nine months ended May 31, 2023, on the condensed consolidated interim statements of financial position include related party receivables of \$446,720 relating to the withholding taxes that were remitted by the Company on behalf of RSU holders.

17. SUPPLEMENTAL CASH FLOW INFORMATION

Non-cash transactions during the nine months ended May 31, 2023 and 2022 are as follows:

Supplemental cash flow information:	2023	2022
Cash paid for interest	\$ 428,507	\$ 288,177
Cash received from tax recovery	47,927	-
Cash paid for income tax	-	-
Equity consideration on acquisition of NCT	-	171,169
Equity consideration on acquisition of Mindspace	271,416	166,544
Non-cash lease addition	799,888	3,699,097
Transfer of share-based payment reserve upon exercise of stock options, warrants, and RSUs	270,804	80,725

Cash and cash equivalents is comprised of:	May 31, 2023	August 31, 2022
Cash	\$ 12,840,933	\$ 32,940,295
Cash equivalents	115,000	103,750

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18. SUBSEQUENT EVENTS

Subsequent to the nine months ended May 31, 2023, the Company granted 7,195,000 options to directors, officers, employees, and consultants of the Company at a price of \$0.20 per option. 4,695,000 options are exercisable for a period of ten years and 2,500,000 options are exercisable for a period of five years.

Subsequent to the nine months ended May 31, 2023, the Company issued 1,000,000 stock options to the incoming Chief Financial Officer. These options are exercisable for a period of ten years at a price of \$0.22.

Subsequent to the nine months ended May 31, 2023, the Company granted 30,000 options to an employee of the Company at a price of \$0.23 per option. The options are exercisable for a period of five years.

Subsequent to the nine months ended May 31, 2023, the Company filed a short form prospectus where the Company may offer and issue securities including common shares, warrants, and/or subscription receipts with an aggregate initial offering price not to exceed \$150,000,000 during the 25-month period that the prospectus remains effective.