

Condensed Consolidated Interim Financial Statements of

HAPBEE TECHNOLOGIES, INC.

For the 3- and 9-Month periods ended September 30, 2022

Comparative periods include the 3- and 9-Month periods ended September 30, 2021 and the year-ended December 31, 2021

(Expressed in U.S. dollars)

(Unaudited)

HAPBEE TECHNOLOGIES, INC.

Condensed Consolidated Interim Financial Statements
3- and 9-Month Periods Ended September 30, 2022

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed consolidated interim financial statements of Hapbee Technologies, Inc. for the 3- and 9-Month periods ended September 30, 2022 have been prepared by the management of the Company and approved by the Company's Audit Committee and the Company's Board of Directors.

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indication that an auditor has not reviewed the condensed consolidated interim financial statements.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of the condensed consolidated interim financial statements by an entity's auditor.

Hapbee Technologies, Inc.
Condensed Consolidated Interim Statements of Financial Position
As at September 30, 2022 and December 31, 2021

Expressed in U.S. dollars

	September 30, 2022 (Unaudited) \$	December 31, 2021 (Audited) \$
Assets		
Current assets		
Cash	279,368	3,630,119
Receivables	36,529	91,926
Inventory	323,945	283,596
Prepaid expenses	40,245	-
	680,087	4,005,641
Intangible assets	2,123,987	2,283,235
Total assets	2,804,074	6,288,876
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	1,559,537	945,867
Product warranty liability	57,786	52,805
Unearned revenue	438,223	579,352
Total current liabilities	2,055,546	1,578,024
Warrant liability	350,029	3,102,566
Total liabilities	2,405,575	4,680,590
Equity		
Share capital	13,487,353	13,341,355
Reserves	6,299,483	5,702,819
Accumulated other comprehensive income	494,271	33,171
Accumulated deficit	(19,882,608)	(17,469,059)
Total shareholders' equity	398,499	1,608,286
Total liabilities and shareholders' equity	2,804,074	6,288,876

Nature of operations and going concern
Basis of presentation
Commitments and contingencies
Subsequent events

Approved on behalf of the Board of Directors on December 8, 2022.

"Michael Matysik"
Director

"Robert Dzisiak"
Director

Hapbee Technologies, Inc.
Condensed Consolidated Interim Statements of Financial Position
As at September 30, 2022 and December 31, 2021

Expressed in U.S. dollars

	Three months Ended September 30, 2022 (Unaudited) \$	Three months Ended September 30, 2021 (Unaudited) \$	Nine months Ended September 30, 2022 (Unaudited) \$	Nine months Ended September 30, 2021 (Unaudited) \$
Revenues				
Sales on products	326,604	437,835	993,407	1,147,311
Cost of goods sold	(159,502)	(205,959)	(732,178)	(576,782)
Royalty fees	(26,827)	-	-	-
	140,275	231,876	261,229	570,529
Other income				
Advertising and other income	-	105	-	6,855
Expenses				
Amortization of intangible assets	52,999	53,124	159,248	158,997
Consulting	491,372	828,590	2,816,392	1,911,579
General and administrative	214,972	492,982	1,642,740	1,486,080
Payroll and staff benefits	64,996	85,726	157,425	157,425
Product development costs	54,293	45,000	729,508	244,510
Professional fees	25,629	71,875	99,866	151,583
Royalty fees	-	72,000	133,988	223,805
Share-based compensation (note 10)	231,975	321,886	703,090	1,380,797
Total operating expenses	(1,136,236)	(1,971,183)	(6,442,257)	(5,714,776)
Operating loss before other item	(995,961)	(1,739,202)	(5,889,615)	(5,137,392)
Other item:				
Change in fair value of warrant liability (note 13)	-	125,679	3,471,306	405,685
Net loss for the period	(995,961)	(1,613,523)	(2,418,309)	(4,731,707)
Other comprehensive income / (loss)	-	(12,357)	497,812	855
Net loss and comprehensive loss for the period	(995,961)	(1,625,880)	(1,920,497)	(4,730,852)
Loss per share – basic and diluted (note 12)	(\$0.05)	(\$0.03)	(\$0.10)	(\$0.10)
Weighted-average number of shares outstanding - basic and diluted	48,860,028	48,860,028	48,529,927	48,529,927

Hapbee Technologies, Inc.
Condensed Consolidated Interim Statements of Changes in Cash Flows
For the nine months ended September 30, 2022 and 2021

Expressed in U.S. dollars

	Three months ended September 30, 2022 (Unaudited) \$	Three months ended June 30, 2022 (Unaudited) \$
Operating activities		
Net loss for the year	(995,961)	(1,422,348)
Item not involving cash:		
Amortization of Intangible Assets	52,999	106,249
Share-based compensation	231,975	471,115
Change in FV of warrant liability	-	(3,471,305)
Changes in non-cash working capital balances:		
Decrease / (Increase) in receivable	55,398	70,856
Decrease / (Increase) in inventory	(40,349)	(89,389)
Decrease / (Increase) in prepaid expenses	(40,245)	(48,155)
Warranty Liability	4,981	4,981
Decrease in accounts payable and accrued liabilities	613,670	215,286
Decrease in unearned revenue	(141,129)	(94,479)
Net cash used in operating activities	(258,661)	(4,257,190)
Investing activities		
License fees	-	-
Development costs incurred	-	-
Net cash used in investing activities	-	-
Financing activities		
Proceeds from subordinated voting shares issuances (private placement)	-	1,273,253
Share issuance cost	(26,348)	(26,348)
Exercise of RSUs	-	-
Net cash provided by financing activities	(26,348)	1,246,905
Effect of foreign exchange	(39,203)	(17,254)
Increase (decrease) in cash during the period	(323,212)	(3,027,539)
Cash, beginning of the period	602,580	3,630,119
Cash, end of the period	279,368	602,580