

Unaudited Condensed Interim Consolidated Financial Statements of

Advent-AWI Holdings Inc.

**For the three and nine months ended September 30, 2021 and 2020
(expressed in Canadian dollars)**

ADVENT-AWI HOLDINGS INC.

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim consolidated financial statements of Advent-AWI Holdings Inc. (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 unaudited condensed interim consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

ADVENT-AWI HOLDINGS INC.**Condensed Interim Consolidated Statements of Financial Position**

(Unaudited, expressed in Canadian dollars)

	Sept 30, 2021	Dec 31, 2020
	\$	\$
ASSETS		
Current assets		
Cash	9,128,346	10,031,105
Trade and other receivables (note 4)	649,862	848,335
Inventories (note 5)	497,641	140,478
Marketable securities (note 6)	4,000,000	4,029,578
Prepaid and deposits - current (note 7)	43,142	515,906
Loans receivable - current (note 8)	898,169	1,227,559
Income taxes receivable	<u>247,070</u>	<u>210,423</u>
	<u>15,464,230</u>	<u>17,003,384</u>
Non-current assets		
Marketable securities (note 6)	230,000	230,000
Loans receivable (note 8)	612,227	399,927
Prepaid and deposits (note 7)	47,274	48,919
Right-of-use assets (note 9)	283,669	417,603
Property, plant and equipment (note 10)	540,950	552,230
Investment properties (note 11)	940,016	966,935
Intangible assets (note 12)	375,000	450,000
Deferred income tax assets (note 17)	<u>134,293</u>	<u>137,815</u>
	<u>3,163,429</u>	<u>3,203,429</u>
Total assets	<u>18,627,659</u>	<u>20,206,813</u>

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

ADVENT-AWI HOLDINGS INC.**Condensed Interim Consolidated Statements of Financial Position (continued)**

(Unaudited, expressed in Canadian dollars)

	Sept 30, 2021	Dec 31, 2020
	\$	\$
LIABILITIES		
Current liabilities		
Trade accounts payable	954,529	1,286,053
Other payables and accrued liabilities	476,656	763,539
Government remittances payable	33,109	27,941
Tenant deposits	17,000	17,000
Lease liabilities - current (note 9)	<u>155,127</u>	<u>167,538</u>
	1,636,421	2,262,071
Non-current liabilities		
Government loan (note 14)	40,000	30,000
Lease liabilities (note 9)	142,634	258,344
Loans payable (note 13)	<u>150,000</u>	<u>150,000</u>
Total liabilities	<u>1,969,055</u>	<u>2,700,415</u>
SHAREHOLDERS' EQUITY		
Capital stock (note 15)	4,274,676	4,274,676
Contributed surplus	623,971	623,971
Retained earnings	<u>11,705,685</u>	<u>12,588,152</u>
Capital attributable to shareholders of Advent-AWI Holdings Inc.	16,604,332	17,486,799
Non-controlling interests	<u>54,272</u>	<u>19,599</u>
Total equity	<u>16,658,604</u>	<u>17,506,398</u>
Total liabilities and shareholders' equity	<u>18,627,659</u>	<u>20,206,813</u>

Commitments (note 20)**APPROVED BY THE BOARD OF DIRECTORS**

"Edgar Pang" Director
Edgar Pang

"Alice Chiu" Director
Alice Chiu

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

ADVENT-AWI HOLDINGS INC.**Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)**

(Unaudited, expressed in Canadian dollars)

	3 months ended Sept 30		9 months ended Sept 30	
	2021	2020	2021	2020
	\$	\$	\$	\$
Revenue (note 24)				
Wireless revenue	1,380,997	1,069,803	3,042,654	2,152,934
Financing revenue (note 8)	121,982	142,166	379,799	497,568
Digital health revenue	4,095	-	6,380	-
Other revenue (note 14)	<u>15,000</u>	<u>-</u>	<u>25,000</u>	<u>-</u>
Total revenue	1,522,074	1,211,969	3,453,833	2,650,502
Cost of sales (note 5)	<u>(793,561)</u>	<u>(584,716)</u>	<u>(1,740,974)</u>	<u>(1,145,494)</u>
Gross profit	<u>728,513</u>	<u>627,253</u>	<u>1,712,859</u>	<u>1,505,008</u>
Expenses				
General and administration (note 16)	635,313	626,238	1,892,098	1,616,434
Advertisement and promotion	7,630	5,638	19,499	14,298
Depreciation - right-of-use assets (note 9)	44,530	47,683	133,933	132,599
Amortization of property, plant and equipment	8,312	11,473	24,487	35,127
Amortization of investment properties	8,973	8,972	26,919	27,426
Amortization of intangible assets (note 12)	<u>25,000</u>	<u>-</u>	<u>75,000</u>	<u>-</u>
Total expenses	<u>729,758</u>	<u>700,004</u>	<u>2,171,936</u>	<u>1,825,884</u>
Operating loss	<u>(1,245)</u>	<u>(72,751)</u>	<u>(459,077)</u>	<u>(320,876)</u>
Investment income				
Rental income	19,370	13,689	55,882	51,840
Interest income	5,175	8,980	23,177	103,764
Gain on sale of assets (note 11)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,483,121</u>
	<u>24,545</u>	<u>22,669</u>	<u>79,059</u>	<u>1,638,725</u>
Income (loss) before income taxes	23,300	(50,082)	(380,018)	1,317,849
(Provision for) recovery of income taxes (note 17)	<u>(5,000)</u>	<u>18,000</u>	<u>129,000</u>	<u>(335,000)</u>
Net income (loss) and comprehensive income (loss) for the period	<u>18,300</u>	<u>(32,082)</u>	<u>(251,018)</u>	<u>982,849</u>
Net income (loss) attributable to				
Shareholders of Advent-AWI Holdings Inc.	7,401	(52,179)	(285,691)	922,072
Non-controlling interests	<u>10,899</u>	<u>20,097</u>	<u>34,673</u>	<u>60,777</u>
	<u>18,300</u>	<u>(32,082)</u>	<u>(251,018)</u>	<u>982,849</u>
Basic and diluted, earnings (loss) per share for net income (loss) attributable to the ordinary equity holders of the company (note 19)	0.001	(0.004)	(0.024)	0.077

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

ADVENT-AWI HOLDINGS INC.**Condensed Interim Consolidated Statements of Changes In Shareholders' Equity**

(Unaudited, expressed in Canadian dollars)

	Share Capital \$	Contributed Surplus \$	Retained Earnings \$	Non- controlling Interests \$	Total Equity \$
<u>Nine months ended September 30, 2021</u>					
Balance - December 31, 2020	4,274,676	623,971	12,588,152	19,599	17,506,398
Net income attributable to non-controlling interests for the period	-	-	-	34,673	34,673
Net income attributable to shareholders of Advent-AWI Holdings Inc. for the period	-	-	(285,691)	-	(285,691)
Dividends paid (note 25)	<u>-</u>	<u>-</u>	<u>(596,776)</u>	<u>-</u>	<u>(596,776)</u>
Balance - September 30, 2021	<u>4,274,676</u>	<u>623,971</u>	<u>11,705,685</u>	<u>54,272</u>	<u>16,658,604</u>
<u>Nine months ended September 30, 2020</u>					
Balance - December 31, 2019	4,274,676	623,971	13,550,572	(12,746)	18,436,473
Net income attributable to non-controlling interests for the period	-	-	-	60,777	60,777
Net income attributable to shareholders of Advent-AWI Holdings Inc. for the period	-	-	922,072	-	922,072
Dividends paid (note 25)	<u>-</u>	<u>-</u>	<u>(1,790,327)</u>	<u>-</u>	<u>(1,790,327)</u>
Balance - September 30, 2020	<u>4,274,676</u>	<u>623,971</u>	<u>12,682,317</u>	<u>48,031</u>	<u>17,628,995</u>

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

ADVENT-AWI HOLDINGS INC.**Condensed Interim Consolidated Statements of Cash Flows**

(Unaudited, expressed in Canadian dollars)

	3 months ended Sept 30		9 months ended Sept 30	
	2021	2020	2021	2020
	\$	\$	\$	\$
Cash flows provided by (used in) operating activities				
Net income (loss) for the period	18,300	(32,082)	(251,018)	982,849
Items not affecting cash				
Amortization of property, plant and equipment	8,312	11,473	24,487	35,127
Amortization of investment properties	8,973	8,972	26,919	27,426
Amortization of intangible assets	25,000	-	75,000	-
Depreciation - right-of-use assets	44,530	47,683	133,933	132,599
Interest expense	3,269	3,250	11,084	8,466
Gain on disposal of property, plant and equipment	-	-	-	(1,483,121)
Interest income	(5,175)	(8,980)	(23,177)	(103,764)
Current income tax expense (recovery)	5,874	(21,097)	(132,522)	324,583
Deferred income tax assets	(874)	3,097	3,522	10,417
	<u>108,209</u>	<u>12,316</u>	<u>(131,772)</u>	<u>(65,418)</u>
Changes in non-cash working capital items				
Trade and other receivables	(104,097)	(363,928)	198,473	384,139
Inventories	(223,961)	(91,038)	(357,163)	1,538
Prepaid expenses and deposits	295,718	4,043	474,409	(501,071)
Trade accounts payable	277,621	588,065	(345,871)	(395,012)
Other payables and accrued liabilities	-	252,692	(272,535)	(70,875)
Tenant deposits	-	(15,154)	-	(15,154)
Government Loan	-	-	10,000	-
Government remittances payable	15,771	48,807	5,168	(2,186)
Loans receivable	14,595	(857,817)	117,090	(587,180)
	<u>275,647</u>	<u>(434,330)</u>	<u>(170,429)</u>	<u>(1,185,801)</u>
Taxes paid	<u>275,861</u>	<u>(27,203)</u>	<u>95,875</u>	<u>(149,791)</u>
Net cash flows provided by (used in) operating activities	<u>659,717</u>	<u>(449,217)</u>	<u>(206,326)</u>	<u>(1,401,010)</u>

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

ADVENT-AWI HOLDINGS INC.**Condensed Interim Consolidated Statements of Cash Flows (continued)**

(Unaudited, expressed in Canadian dollars)

	3 months ended Sept 30		9 months ended Sept 30	
	2021	2020	2021	2020
	\$	\$	\$	\$
Balance carryforward				
Net cash flows provided by (used in) operating activities	<u>659,717</u>	<u>(449,217)</u>	<u>(206,326)</u>	<u>(1,401,010)</u>
Cash flows provided by (used in) investing activities				
Other assets	-	-	-	(500,000)
Purchase of property, plant and equipment	-	(4,549)	(13,207)	(4,549)
Disposal of property, plant and equipment	-	-	-	2,083,796
Decrease in marketable securities	-	-	29,578	1,017,949
Interest received	<u>5,175</u>	<u>8,980</u>	<u>23,177</u>	<u>103,764</u>
Net cash flows provided by investing activities	<u>5,175</u>	<u>4,431</u>	<u>39,548</u>	<u>2,700,960</u>
Cash flows provided by (used in) financing activities				
Government loan	-	(40,000)	-	(40,000)
Lease payment	(46,743)	(49,336)	(139,205)	(136,607)
Dividends paid	<u>-</u>	<u>-</u>	<u>(596,776)</u>	<u>(1,790,327)</u>
Net cash flows used in financing activities	<u>(46,743)</u>	<u>(89,336)</u>	<u>(735,981)</u>	<u>(1,966,934)</u>
Net cash provided by (used in) operations	618,149	(534,122)	(902,759)	(666,984)
Cash and cash equivalents - beginning of period	<u>8,510,197</u>	<u>9,484,861</u>	<u>10,031,105</u>	<u>9,617,723</u>
Cash and cash equivalents - end of period	<u>9,128,346</u>	<u>8,950,739</u>	<u>9,128,346</u>	<u>8,950,739</u>

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

ADVENT-AWI HOLDINGS INC.

Notes to Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2021 and 2020

(Unaudited, expressed in Canadian dollars)

1. General information

Advent-AWI Holdings Inc. (the "Company"), formerly known as Advent Wireless Inc., was incorporated on February 14, 1984 in British Columbia, Canada. The Company together with its wholly owned subsidiaries, Am-Call Wireless Inc., 1013929 B.C. Ltd and Advent Marketing Inc., sells cellular and wireless products, services and accessories through an independent network of four stores in Ontario, Canada as at September 30, 2021.

Commencing in 2016, the Company is a 70% owner of Adwell Financial Services Inc. and its wholly owned subsidiary Adwell Mortgage Solutions Inc. (which was dissolved on June 30, 2021), a microfinancing company. The remaining interest is held equally between Adwealth Capital Holdings Inc. and Q&Y Holdings Inc. The unaudited condensed interim consolidated financial statements include the financial information of Adwell Financial Services Inc. and Adwell Mortgage Solutions Inc.

On September 1, 2020, the Company incorporated a wholly owned subsidiary in Hong Kong, Advent TeleMedicare Ltd., to distribute and sell certain health products and services in Hong Kong and Macau. The unaudited condensed interim consolidated financial statements include the financial information of Advent TeleMedicare Ltd.

The Company's registered office is 550 West Broadway, Unit 719, Vancouver, Canada, V5Z 0E9.

2. Basis of preparation of the unaudited condensed interim consolidated financial statements

These unaudited condensed interim consolidated financial statements of the Company for the three and nine months ended September 30, 2021 and 2020 have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of unaudited condensed interim consolidated financial statements, including International Accounting Standard ("IAS") 34, Interim Financial Reporting, and on a basis consistent with the accounting policies disclosed in the annual audited consolidated financial statements, including the notes thereto, for the year ended December 31, 2020.

These unaudited condensed interim consolidated financial statements of the Company for the three and nine months ended September 30, 2021 and 2020 were approved by the Board of Directors for issue on November 26, 2021.

3. Significant accounting policies and judgment

(a) Significant accounting policies

The significant accounting policies used in the preparation of these unaudited condensed interim consolidated financial statements are consistent with those described in the notes to the Company's consolidated financial statements for the year ended December 31, 2020.

Basis of consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Am-Call Wireless Inc., 1013929 B.C. Ltd., Advent Marketing Inc., Advent TeleMedicare Ltd., Adwell Financial Services Inc. and Adwell Mortgage Solutions Inc. All intercompany transactions and balances have been eliminated. Subsidiaries are those entities that are controlled by the Company. Subsidiaries are fully consolidated from the date on which control is obtained by the Company and are de-consolidated from the date that control ceases.

Condensed interim consolidated statements of income (loss) and comprehensive income (loss) and cash flows

The Company has elected to present a single condensed interim consolidated statements of income (loss) and comprehensive income (loss) and presents its expenses by nature.

ADVENT-AWI HOLDINGS INC.

Notes to Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2021 and 2020

(Unaudited, expressed in Canadian dollars)

The Company reports cash flows from operating activities using the indirect method. Interest paid is presented within operating cash flows.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, net of estimated returns and discounts. The Company bases its estimate of returns on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

The principal sources of revenue to the Company are:

- 1) Sales of cellular phones, commission earned on sale of cellular plans and related products. Revenue is recognized when:
 - a) Cellular phones and related products are sold to customers, at the point of sale through one of its retail stores, net of estimated returns.
 - b) Monthly commission revenue in connection with sales of cellular plans and related products is recorded in the month in which they are earned and measurable.
 - c) Quarterly bonus commission revenue is recorded in the last month of each quarter when targets are achieved. Annual bonus commission is recorded when received.
- 2) Financing revenue earned from microfinancing is recognized when earned and on an accrued basis.
- 3) Sales of telemedicine equipment and services in Hong Kong and Macau.

Investment Income

The Company's investment income consists of the following:

- a) Rental income includes rent from tenants under lease. All tenant rents are recognized in accordance with the underlying lease terms.
- b) Interest income is recognized when earned.

Inventories

Inventories consist of finished products. They are recorded at the lower of cost and net realizable value. The cost of inventory is determined on a specific cost basis, and net realizable value is the estimated selling price less applicable selling expenses.

Financial instruments - recognition and measurement

Financial assets and financial liabilities are recognized when the company becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

Financial assets and financial liabilities are offset and the net amount is reported in the condensed interim consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the financial asset and settle the financial liability simultaneously.

ADVENT-AWI HOLDINGS INC.

Notes to Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2021 and 2020

(Unaudited, expressed in Canadian dollars)

Financial assets upon initial recognition are classified in one of two categories: (1) those to be measured subsequently at fair value either through other comprehensive income ("OCI") or through profit or loss; and (2) those to be measured at amortized cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. The following classifications have been applied:

- Cash, trade and other receivables, note receivable, and loans receivable are classified as financial assets measured at amortized cost;
- Trade accounts payable, other payables and accrued liabilities, government remittances payable, tenant deposits, and loans payable are classified as financial liabilities measured at amortized costs.

Impairment of financial assets

At each reporting date, the Company assesses on a forward-looking basis the expected credit losses associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade and other receivables, note receivable and loans receivable, the Company applies the simplified approach permitted by IFRS 9 Financial Instruments (IFRS 9) which requires expected lifetime losses to be recognized at the time of initial recognition of the receivables. The Company determines expected credit losses using historical credit loss trends. This change in accounting policy did not result in a change in the trade and other receivables, note receivable or loans receivable on January 1, 2020, upon adoption.

Deposits

Deposits consist of deposits made for lease rental and are recorded at cost.

Joint operations

The Company recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenue and expenses. These have been incorporated in the financial statements under the appropriate headings. Details of the joint operation are set out in note 8.

Marketable securities

The Company's marketable securities consist of term deposits that are classified and measured at amortized cost using the effective interest method, plus accrued interest.

ADVENT-AWI HOLDINGS INC.

Notes to Condensed Interim Consolidated Financial Statements

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(Unaudited, expressed in Canadian dollars)

Property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets are measured at cost less accumulated amortization and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Repairs and maintenance costs are charged to the condensed interim consolidated statements of income (loss) and comprehensive income (loss) during the period in which they are incurred.

Gains and losses on disposals of property, plant and equipment and intangible assets are determined by comparing the net proceeds with the carrying amount of the asset and are included as part of other gains and losses in the condensed interim consolidated statements of income and comprehensive income.

Amortization is provided at the following annual rates:

Buildings	30 years straight-line
Computer hardware	3 years straight-line
Computer software	3 years straight-line
Furniture, fixtures and equipment	5 years straight-line
Intangible assets	5 years straight-line
Leasehold improvements	straight-line over terms of lease

Investment properties

Investment properties include land and buildings in retail outlets held to earn rental income. Investment properties are recorded at cost, including transaction costs, less accumulated amortization. Transaction costs include land transfer taxes and professional fees.

Impairment of non-financing assets

Property, plant and equipment, intangible assets, and investment properties and intangible assets are tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units or CGUs). The recoverable amount is the higher of an asset's fair value less costs to sell and value in use (being the present value of the expected future cash flows of the relevant asset or CGU). An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

Leases

Leases in which a substantial portion of the risks and rewards of ownership are retained by the lessor are classified as an operating lease on the condensed interim consolidated statements of financial position. Payments made under operating leases (net of incentives recorded from the lessor) are charged to the condensed interim consolidated statements of income (loss) and comprehensive income (loss) on a straight-line basis over the period of the lease.

ADVENT-AWI HOLDINGS INC.

Notes to Condensed Interim Consolidated Financial Statements

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Income taxes

Income tax expense is comprised of current and deferred tax. Current tax and deferred tax are recognized in the condensed interim consolidated statements of income (loss) and comprehensive income (loss).

Current tax is the expected tax payable or receivable based on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred income tax assets and liabilities are recognized for the future income tax consequences attributable to differences between the consolidated financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same authority on the same taxable entity, or on different tax entities where these entities intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously. Deferred income tax assets are recognized to the extent that it is probable that the asset can be recovered.

Deferred income tax assets and liabilities are presented as non-current.

Earnings per share

The Company presents basic and diluted earnings per share data. Basic earnings per share is calculated by dividing the net income or loss attributable to shareholders of the Company by the weighted average number of common shares outstanding during the period. The diluted earnings per share is determined by adjusting the net income or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive instruments. The Company uses the treasury stock method for calculating diluted earnings per share.

Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from equity.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Financial Officer. The Corporation has three segments, which are "Wireless Business", "Financing Business", and "Digital Health Business". The wireless segment sells cellular and wireless products, services and accessories through an independent network of stores in Ontario. The financing segment operates as a private lending company offering personal and collateral loans across the Greater Vancouver Area. The digital health segment sells telemedicine health equipment and services in Hong Kong and Macau.

ADVENT-AWI HOLDINGS INC.

Notes to Condensed Interim Consolidated Financial Statements

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Significant new and revised accounting standards and reporting changes adopted in the year

Effective January 1, 2019, the Company adopted the new accounting standard IFRS 16 – Leases ("IFRS 16"), using the modified retrospective approach, and comparative figures have not been restated. The new set of standards sets out the principles for the recognition, measurement, presentation and disclosure of leases. All leases result in the lessee obtaining the right to use an asset at the start of the lease, and if lease payments are made over time, also obtaining financing. Accordingly, IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17, Leases, and instead introduces a single lessee accounting model. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or financing leases, and to account for those two types of leases differently.

(b) Critical accounting estimates

The preparation of condensed interim consolidated financial statements requires management to make assumptions and estimates that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the condensed interim consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates. Management's estimates and underlying assumptions are based on historical experience and are reviewed on an ongoing basis.

The estimates and assumptions that could result in a material effect in the next financial year on carrying amounts of assets and liabilities are outlined below:

Impairment of non-financial assets

The determination of long-lived asset impairment requires significant estimates and assumptions to determine the recoverable amount of a cash generating unit ("CGU"), the recoverable amount being the higher of fair value less costs to sell and value in use. The value in use method involves estimating the net present value of future cash flows derived from the use of the CGU, discounted at an appropriate rate.

In the event an impairment analysis is required, the key assumptions that would be utilized in the determination of future cash flows would represent management's best estimate of the range of economic conditions relating to the CGU, and would be based on historical experience, economic trends, and communication with other key stakeholders of the Company. These key assumptions would include the revenue growth rate, margin as a percentage of revenues, capital expenditures, the inflation growth rate and the discount rate. Significant changes in the key assumptions used in the determination of future cash flows could result in an impairment loss or reversal of a previously recognized impairment loss.

Estimated useful lives of non-financial assets

Judgment is used to estimate each component of a tangible and an intangible asset's useful life and is based on an analysis of factors including, but not limited to, the expected use of the asset. If the estimated useful lives change, this could result in an increase or decrease in the annual amortization expense, and future impairment charges.

ADVENT-AWI HOLDINGS INC.

Notes to Condensed Interim Consolidated Financial Statements

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(Unaudited, expressed in Canadian dollars)

Income taxes

Deferred income tax assets and liabilities are due to temporary differences between the carrying amount for accounting purposes and the tax basis of certain assets and liabilities, as well as undeducted tax losses. Estimation is required for the timing of the reversal of these temporary differences and the tax rate applied. The carrying amounts of assets and liabilities are based on amounts recorded in the condensed interim consolidated financial statements and are subject to the accounting estimates inherent in those balances. The tax basis of assets and liabilities and the amount of undeducted tax losses are based on the applicable income tax legislation, regulations and interpretations.

The timing of the reversal of the temporary differences and the timing of deduction of tax losses are based on estimations of the Company's future financial results.

Changes in the expected operating results, enacted tax rates, legislation or regulations, and the Company's interpretations of income tax legislation, will result in adjustments to the expectations of future timing difference reversals, and may require material deferred tax adjustments.

(c) Significant judgments

Information about judgments made in applying accounting policies that have the most significant effect on the amounts recognized in the condensed interim consolidated financial statements is set out below.

Gross versus net revenue recognition

The Company follows the guidance set out in IFRS 15, Revenue from Contracts with Customers in determining the presentation of revenue and cost of sales. The guidance requires the Company to assess whether it acts as a principal in a transaction or as an agent acting on behalf of others. To the extent that revenue is earned through the sale of hardware and accessories to customers, the Company has determined that these amounts should be reported on a gross basis in the condensed interim consolidated statements of income (loss) and comprehensive income (loss) as the Company is exposed to the risks and rewards before and after the associated transaction.

The preparation of condensed interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results could differ from these estimates.

4. Trade and other receivables

	Sept. 30, 2021	Sept. 30, 2020
	\$	\$
Trade and other receivables	<u>649,862</u>	<u>711,200</u>

In establishing the appropriate expected credit loss, assumptions are made with respect to the future collectability of the receivables. Management believes no expected credit loss is necessary as at September 30, 2021 and 2020 as the amounts are considered to be fully collectible and substantially current (see note 21(b)).

ADVENT-AWI HOLDINGS INC.

Notes to Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2021 and 2020

(Unaudited, expressed in Canadian dollars)

5. Inventories

All of the Company's inventory consists of finished goods. The cost of inventories recognized as expense and included in cost of sales for the nine months ended September 30, 2021 amounted to \$1,740,974 (2020 - \$1,145,494). There have been no inventory writedowns in the period (2020 - \$nil). There are no non-inventory costs such as amortization, salary and payroll and rent and occupancy costs recorded in cost of sales.

6. Marketable securities

	Sept.30, 2021	Sept. 30, 2020
	\$	\$
Term deposits (i)	4,000,000	4,015,642
Guaranteed investment certificate (ii)	<u>230,000</u>	<u>230,000</u>
Balance - End of period	<u>4,230,000</u>	<u>4,245,642</u>

i) The term deposits mature between December 29, 2021 to February 22, 2022, earning interest at a rate between 1.20% to 1.30% per annum.

ii) The guaranteed investment certificate matures on June 10, 2023 (2020 - June 10, 2023), earning interest at 0.55% per annum (2020 - 0.55% per annum).

7. Prepaid and deposits

Prepaid and deposits include an advance payment of \$13,500 to DynoSense Corp. (a digital therapeutics equipment manufacturer) for 27 pieces of equipment to be manufactured and delivered to Advent TeleMedicare Ltd. in the future.

8. Loans receivable

Loans receivable are unsecured short-term loans bearing interest ranging from 30% - 46% per annum, with a weighted average rate of 43%, from individual customers, from \$1,000 to \$7,500 with 9 to 36 months flexible repayment terms with no early repayment penalties. Financing revenue earned in the 3-month period is \$121,982 (2020 - \$142,166).

As at August 24, 2017, the Company has a 23% interest in a joint arrangement that was set up as a partnership together with a member of the Company's management and other non-related parties, to provide a secured loan to an unrelated individual. The joint venture agreement requires unanimous consent from all parties for all major decisions. This entity is therefore classified as a joint operation and the Company has included in the loans receivable a balance of \$nil (2020 - \$637,000), which represents its proportionate share of the outstanding balance. During the 9-month period ended September 30, 2021, the Company's share of interest income was \$8,180 (2020 - \$52,469), which is included in financing revenue.

ADVENT-AWI HOLDINGS INC.**Notes to Condensed Interim Consolidated Financial Statements****For the three and nine months ended September 30, 2021 and 2020**

(Unaudited, expressed in Canadian dollars)

9. Right-of-use Assets

(A) Cost	\$
Balance, January 1, 2020	465,382
Additions	<u>260,974</u>
Balance, December 31, 2020	<u>726,356</u>
Balance, September 30, 2021	<u><u>726,356</u></u>
Amortization	
Balance, January 1, 2020	134,523
Amortization for the year	<u>174,230</u>
Balance, December 31, 2020	308,753
Amortization for the period	<u>133,933</u>
Balance, September 30, 2021	<u><u>442,686</u></u>
Net carrying amount	
Balance, December 31, 2020	<u>417,603</u>
Balance, September 30, 2021	<u><u>283,670</u></u>
(B) Lease liabilities	
Balance, January 1, 2020	465,382
Additions	<u>260,974</u>
Balance, December 31, 2020	<u>726,356</u>
Balance, September 30, 2021	<u><u>726,356</u></u>
Lease reduction	
Balance, January 1, 2020	132,234
Lease payment in the year	179,560
Less interest portion	<u>(11,320)</u>
Balance, December 31, 2020	300,474
Lease payment in the period	139,205
Less interest portion	<u>(11,084)</u>
Balance, September 30, 2021	<u><u>428,595</u></u>
Net lease liabilities	
Balance, December 31, 2020	<u>425,882</u>
Balance, September 30, 2021	<u><u>297,761</u></u>
Lease liabilities - current	155,127
Lease liabilities	<u>142,634</u>
	<u><u>297,761</u></u>

ADVENT-AWI HOLDINGS INC.
Notes to Condensed Interim Consolidated Financial Statements
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(Unaudited, expressed in Canadian dollars)

10. Property, plant and equipment

	Land	Building	Leasehold improvements	Furniture, fixtures and equipment	Sign	Computer hardware	Computer software	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Cost								
Balance, January 1, 2020	60,116	574,677	166,966	196,802	6,590	204,171	7,377	1,216,699
Disposals	-	-	-	-	-	32,347	-	32,347
Balance, December 31, 2020	60,116	574,677	166,966	196,802	6,590	236,518	7,377	1,249,046
Additions	-	-	-	-	-	13,207	-	13,207
Balance, September 30, 2021	<u>60,116</u>	<u>574,677</u>	<u>166,966</u>	<u>196,802</u>	<u>6,590</u>	<u>249,725</u>	<u>7,377</u>	<u>1,262,253</u>
Amortization								
Balance, January 1, 2020	-	100,174	150,577	188,964	3,979	201,568	7,377	652,639
Amortization for the year	-	19,156	16,389	3,531	1,318	3,783	-	44,177
Balance, December 31, 2020	-	119,330	166,966	192,495	5,297	205,351	7,377	696,816
Amortization for the period	-	14,367	-	2,417	988	6,715	-	24,487
Balance, September 30, 2021	<u>-</u>	<u>133,697</u>	<u>166,966</u>	<u>194,912</u>	<u>6,285</u>	<u>212,066</u>	<u>7,377</u>	<u>721,303</u>
Net carrying amount								
Balance, December 31, 2020	<u>60,116</u>	<u>455,347</u>	<u>-</u>	<u>4,307</u>	<u>1,293</u>	<u>31,167</u>	<u>-</u>	<u>552,230</u>
Balance, September 30, 2021	<u>60,116</u>	<u>440,980</u>	<u>-</u>	<u>1,890</u>	<u>305</u>	<u>37,659</u>	<u>-</u>	<u>540,950</u>

11. Investment properties

	Land	Building	Total
	\$	\$	\$
Cost			
Balance, January 1, 2020	721,428	1,375,389	2,096,817
Disposals	(514,310)	(299,790)	(814,100)
Balance, December 31, 2020	<u>207,118</u>	<u>1,075,599</u>	<u>1,282,717</u>
Balance, September 30, 2021	<u>207,118</u>	<u>1,075,599</u>	<u>1,282,717</u>
Amortization			
Balance, January 1, 2020	-	492,806	492,806
Disposals	-	(213,424)	(213,424)
Amortization for the year	-	36,400	36,400
Balance, December 31, 2020	-	315,782	315,782
Amortization for the period	-	26,919	26,919
Balance, September 30, 2021	<u>-</u>	<u>342,701</u>	<u>342,701</u>
Net carrying amount			
Balance, December 31, 2020	<u>207,118</u>	<u>759,817</u>	<u>966,935</u>
Balance, September 30, 2021	<u>207,118</u>	<u>732,898</u>	<u>940,016</u>

ADVENT-AWI HOLDINGS INC.

Notes to Condensed Interim Consolidated Financial Statements

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(Unaudited, expressed in Canadian dollars)

The fair market value of the investment properties is estimated to be \$1,376,952 (2020 - \$1,393,624). The fair value was derived based on comparable sales or assessments of similar properties in the same mall or plaza adjusting for specific unit specifications such as size and location. The Company did not obtain independent valuation for its investment properties. The fair value measurement has been classified as Level 3 in the fair value hierarchy.

Two of the four investment properties were sold in 2020 for a gross proceeds of \$2,149,000 with a gain of \$1,483,121.

12. Intangible assets

Intangible assets include a \$500,000 payment to DynoSense Corp. for the right to sell and distribute certain health products and services in Hong Kong and Macau through Advent TeleMedicare Ltd. for a five-year term and may be renewed for an additional five one-year terms thereafter.

	Cost
	\$
Balance, January 1, 2020	-
Additions	<u>500,000</u>
Balance, December 31, 2020	<u>500,000</u>
Balance, September 30, 2021	<u><u>500,000</u></u>
Amortization	
Balance, January 1, 2020	-
Amortization for the year	<u>50,000</u>
Balance, December 31, 2020	50,000
Amortization for the period	<u>75,000</u>
Balance, September 30, 2021	<u><u>125,000</u></u>
Net carrying amount	
Balance, December 31, 2020	<u>450,000</u>
Balance, September 30, 2021	<u><u>375,000</u></u>

13. Loans payable

Loans payable are amounts due to minority shareholders of Adwell Financial Services Inc. The loans are not expected to be repaid in the current fiscal year and are non-interest bearing.

14. Government loan

In 2020, the Company applied for the Canada Emergency Business Account (CEBA) loan of \$40,000 which is a government loan with the purpose of assisting businesses that are affected by COVID-19. The loan is interest free upon the condition that 75% of the loan is repaid before December 31, 2022. The remaining 25% (\$10,000) may be forgiven. If this condition is not met, the loan will be extended to December 31, 2025 at an interest rate of 5%.

During this year, the Company applied for an additional \$20,000 CEBA loan. The loan is interest free upon the condition that 50% of the loan is repaid before December 31, 2022. The remaining 50% (\$10,000) may be forgiven. If this condition is not met, the loan will be extended to December 31, 2025 at an interest rate of 5%.

ADVENT-AWI HOLDINGS INC.**Notes to Condensed Interim Consolidated Financial Statements****For the three and nine months ended September 30, 2021 and 2020**

(Unaudited, expressed in Canadian dollars)

15. Capital stock

Authorized

100,000,000 common shares without par value

Issued and outstanding

	Number of shares	Amount \$
Balance - December 31, 2020 and September 30, 2021	<u>11,935,513</u>	<u>4,274,676</u>

The Company manages its capital through quarterly board of directors' meetings and regular review of financial information to ensure sufficient resources are available to meet day-to-day operation requirements.

The Company's objectives when managing capital are:

- a) To provide a reasonable return to the shareholders by pricing the products and services commensurately with the level of risk.
- b) To safeguard the capital of excess funds on hand by investing with reputable financial institutions for a reasonable return.

Total capital is calculated as follows:

	Sept. 30, 2021 \$	Sept. 30, 2020 \$
Share capital	4,274,676	4,274,676
Contributed surplus	623,971	623,971
Retained earnings	11,705,685	12,682,317
Non-controlling interests	<u>54,272</u>	<u>48,031</u>
	<u>16,658,604</u>	<u>17,628,995</u>

The Company is not subject to any externally imposed capital requirements.

ADVENT-AWI HOLDINGS INC.**Notes to Condensed Interim Consolidated Financial Statements****For the three and nine months ended September 30, 2021 and 2020**

(Unaudited, expressed in Canadian dollars)

16. General and administration expenses

General and administration expenses consist of the following:

	3 months ended Sept. 30		9 months ended Sept. 30	
	2021	2020	2021	2020
	\$	\$	\$	\$
Bank service charges	13,152	16,684	40,097	43,176
General and office expenses	115,778	(43,588)	287,862	92,682
Insurance	16,985	12,407	63,112	56,949
Interest	3,269	3,250	11,084	8,466
Professional fees	54,521	213,070	180,582	380,251
Rent and occupancy costs	33,156	2,677	119,878	75,497
Salary and payroll costs	388,874	414,865	1,164,166	936,821
Telephone expenses	<u>9,578</u>	<u>6,873</u>	<u>25,317</u>	<u>22,592</u>
	<u>635,313</u>	<u>626,238</u>	<u>1,892,098</u>	<u>1,616,434</u>

17. Income taxes

Components of the provision for income taxes are as follows:

	3 months ended Sept. 30		9 months ended Sept. 30	
	2021	2020	2021	2020
	\$	\$	\$	\$
Current income tax (recovery)	5,874	(21,097)	(132,522)	324,583
Deferred income tax (recovery)	<u>(874)</u>	<u>3,097</u>	<u>3,522</u>	<u>10,417</u>
Provision for (recovery of) income taxes	<u>5,000</u>	<u>(18,000)</u>	<u>(129,000)</u>	<u>335,000</u>

18. Stock options

The Company has a stock option plan (the "Plan") that was approved by the shareholders on June 24, 2011. It allows the Company to grant up to 10% of the issued and outstanding common shares at the time of the grant. Under the Plan, a total of 1,193,551 common shares have been reserved for the grant of options.

The Company has not issued any stock options to the directors and employees of the Company in the current year. As at September 30, 2021 and September 30, 2020, the Company had no options outstanding.

19. Earnings (loss) per share

	3 months ended Sept. 30		9 months ended Sept. 30	
	2021	2020	2021	2020
	\$	\$	\$	\$
Net earnings (loss) applicable to common shares	7,401	(52,179)	(285,691)	922,072
Basic and diluted weighted average number of common shares outstanding	11,935,513	11,935,513	11,935,513	11,935,513
Basic and diluted earnings (loss) per share	0.001	(0.004)	(0.024)	0.077

Basic earnings (loss) per share was based on the earnings (loss) attributable to common shareholders and the weighted average number of common shares outstanding. Diluted earnings (loss) per share was equal to basic earnings (loss) per share as there were no dilutive instruments outstanding in the three and nine-month periods ended September 30, 2021 and September 30, 2020.

ADVENT-AWI HOLDINGS INC.**Notes to Condensed Interim Consolidated Financial Statements****For the three and nine months ended September 30, 2021 and 2020**

(Unaudited, expressed in Canadian dollars)

20. Commitments

The table below shows the future minimum payments under leases as at September 30, 2021:

	\$
2021 remaining	42,266
2022	160,147
2023	<u>107,409</u>
	<u>309,822</u>

During the nine months ended September 30, 2021, the Company recognized a capital lease expense of \$139,205.

The Company had an operating line of credit for \$250,000, guaranteed by real property and bearing interest at prime rate plus 0.75%. In January 2020, the real property used to secure the line of credit was sold and the line of credit was cancelled.

21. Financial instruments

- a) The following table summarizes the carrying value of the Company's financial instruments, which approximates fair value:

Financial instrument	Fair value hierarchy	IAS 39 Classification	IFRS 9 Classification Measurement	Sept. 30, 2021 \$	Sept. 30, 2020 \$
Cash and cash equivalents	Level 2	Loans and receivables	Amortized cost using the effective interest method	9,128,346	8,950,739
Trade and other receivables	Level 2	Loans and receivables	Amortized cost using the effective interest method	649,862	711,200
Loans receivable	Level 2	Loans and receivables	Amortized cost using the effective interest method	1,510,396	2,840,063
Marketable securities	Level 2	Loans and receivables	Amortized cost using the effective interest method	4,230,000	4,245,642
Trade accounts payable and other payables and accrued liabilities	Level 2	Other financial liabilities	Amortized cost using the effective interest method	1,431,185	1,581,905
Loans payable	Level 2	Other financial liabilities	Amortized cost using the effective interest method	150,000	150,000

(Level 1) - Based on quoted market prices in active markets.

(Level 2) - Inputs, other than quoted prices in active markets, that are observable, either directly or indirectly.

(Level 3) - Unobservable inputs that are not corroborated by market data.

The carrying amount of cash and cash equivalents, accounts receivable, trade accounts payable and other payables and accrued liabilities approximate the fair values due to the relatively short period to maturity of the instruments. The fair value of the marketable securities as at September 30, 2021 is \$4,230,000 (2020 - \$4,245,642), respectively.

ADVENT-AWI HOLDINGS INC.

Notes to Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2021 and 2020

(Unaudited, expressed in Canadian dollars)

b) Management of financial risk

i) Interest rate risk exposure

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. All of the Company's financial assets and liabilities are non-interest bearing except cash and cash equivalents, which bear a floating interest rate and marketable securities, which are at fixed interest rate. Any fluctuation in the interest rate would not have a significant impact on the Company.

The term deposits earn interest at a fixed rate of approximately 1.20% - 1.30%, and the marketable securities earn interest at a fixed rate of 0.55%. Any fluctuation in the interest rate will not have a significant impact on the Company.

ii) Credit risk and economic dependence

Credit risk is the risk that the Company will incur a loss due to the failure by its customers or other parties to meet their contractual obligations. Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash, cash equivalents, short-term investments and trade receivables. The Company limits its exposure to credit risk by placing its cash and cash equivalents and marketable securities with high credit quality financial institutions.

The Company has a high concentration of credit risk as approximately 85% of the trade receivables as at September 30, 2021 (2020 - 82%) were owed by one customer, Rogers Communications Inc. For the period ended September 30, 2021, approximately 97% (2020 - 95%) of the Company's gross revenue was from this customer. Based on historic default rates and the credit quality of this customer, no provisions have been recorded and no collateral is requested for the Company's trade receivables. The agreement with this customer expires on June 30, 2023.

The carrying amount of financial assets represents the maximum credit exposure.

iii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. All of the Company's financial liabilities are due within 12 months from September 30, 2021.

It is the Company's intention to meet these obligations through the collection of trade receivables, current cash and cash equivalents, and marketable securities resources.

iv) Market risk

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. Certain interventions such as lockdowns and restrictions imposed caused a temporary closure of some wireless business stores, which had an impact on overall wireless business revenue. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

ADVENT-AWI HOLDINGS INC.**Notes to Condensed Interim Consolidated Financial Statements****For the three and nine months ended September 30, 2021 and 2020**

(Unaudited, expressed in Canadian dollars)

22. Related party transactions**Compensation of key management personnel**

Key management personnel comprise the Company's Board of Directors and executive officers. Key management compensation includes director fees, salaries and performance based compensation. Total compensation is as follows:

	3 months ended Sept. 30		9 months ended Sept. 30	
	2021	2020	2021	2020
	\$	\$	\$	\$
Salaries and other benefits	<u>109,315</u>	<u>267,515</u>	<u>403,215</u>	<u>561,415</u>

23. Seasonality of results

Revenues vary by quarter due to the seasonality of the retail industry. Retail sales are traditionally higher in the third and fourth quarters due to the back-to-school period and the holiday season. In addition, first quarter earnings are usually reduced by post-holiday season sales promotions. Variable costs can be adjusted to match the revenue pattern, but costs such as occupancy are fixed, leading the Company to report a higher level of earnings in the third and fourth quarters. This business seasonality results in quarterly performance that is not necessarily indicative of the year's performance.

ADVENT-AWI HOLDINGS INC.**Notes to Condensed Interim Consolidated Financial Statements****For the three and nine months ended September 30, 2021 and 2020**

(Unaudited, expressed in Canadian dollars)

24. Segmented information

The Company operates in three industry segments. It provides personal communications products and services to consumers in Canada (Wireless Business), lends money to individuals (Financing Business) and, beginning in July 1, 2020, provides digital health products and services to consumers and health care providers in Hong Kong and Macau (Digital Health Business).

Condensed interim consolidated statement of financial position information by reportable segment at September 30, 2021 was as follows:

	Wireless Business	Digital Health Business	Financing Business	Total
	\$	\$	\$	\$
ASSETS				
Cash	9,000,203	54,373	73,770	9,128,346
Trade and other receivables	561,049	6,190	82,623	649,862
Inventories	85,305	412,336	-	497,641
Prepaid and deposits	19,435	25,749	45,232	90,416
Right-of-use assets	283,669	-	-	283,669
Loans receivable	-	-	1,510,396	1,510,396
Marketable securities	4,230,000	-	-	4,230,000
Property, plant and equipment	504,868	34,828	1,254	540,950
Investment properties	940,016	-	-	940,016
Deferred income tax assets	33,118	68,852	32,323	134,293
Intangible assets	-	375,000	-	375,000
Income tax receivable	<u>215,546</u>	<u>-</u>	<u>31,524</u>	<u>247,070</u>
Total assets	<u><u>15,873,209</u></u>	<u><u>977,328</u></u>	<u><u>1,777,122</u></u>	<u><u>18,627,659</u></u>
LIABILITIES				
Current liabilities	1,173,979	56,062	201,144	1,431,185
Government remittances payable	28,379	-	4,730	33,109
Tenant deposits	17,000	-	-	17,000
Government loan	-	-	40,000	40,000
Lease liabilities	297,761	-	-	297,761
Loans payable	-	-	150,000	150,000
Due to (from) related parties	<u>(3,234,960)</u>	<u>2,034,960</u>	<u>1,200,000</u>	<u>-</u>
Total liabilities	<u><u>(1,717,841)</u></u>	<u><u>2,091,022</u></u>	<u><u>1,595,874</u></u>	<u><u>1,969,055</u></u>

ADVENT-AWI HOLDINGS INC.**Notes to Condensed Interim Consolidated Financial Statements****For the three and nine months ended September 30, 2021 and 2020**

(Unaudited, expressed in Canadian dollars)

Condensed interim consolidated statement of financial position information by reportable segment at September 30, 2020 was as follows:

	Wireless Business	Digital Health Business	Financing Business	Total
	\$	\$	\$	\$
ASSETS				
Cash	8,749,113	30,764	170,862	8,950,739
Trade and other receivables	584,632	-	126,568	711,200
Inventories	105,748	-	-	105,748
Prepaid and deposits	13,792	501,719	45,195	560,706
Right-of-use assets	459,234	-	-	459,234
Loans receivable	-	-	2,840,063	2,840,063
Marketable securities	4,245,642	-	-	4,245,642
Property, plant and equipment	524,312	4,549	4,621	533,482
Investment properties	975,909	-	-	975,909
Deferred income tax assets	104,367	-	28,800	133,167
Intangible assets	-	<u>500,000</u>	-	<u>500,000</u>
Income tax receivable	-	-	-	-
Total assets	<u>15,762,749</u>	<u>1,037,032</u>	<u>3,216,109</u>	<u>20,015,890</u>
LIABILITIES				
Current liabilities	1,335,601	-	246,304	1,581,905
Government remittances payable	38,033	-	-	38,033
Tenant deposits	17,000	-	-	17,000
Government loan	-	-	40,000	40,000
Income tax payable	84,612	-	9,363	93,975
Lease liabilities	465,982	-	-	465,982
Loans payable	-	-	150,000	150,000
Due to (from) related parties	<u>(3,874,030)</u>	<u>1,224,030</u>	<u>2,650,000</u>	<u>-</u>
Total liabilities	<u>(1,932,802)</u>	<u>1,224,030</u>	<u>3,095,667</u>	<u>2,386,895</u>

ADVENT-AWI HOLDINGS INC.**Notes to Condensed Interim Consolidated Financial Statements****For the three and nine months ended September 30, 2021 and 2020**

(Unaudited, expressed in Canadian dollars)

Condensed interim consolidated statement of income (loss) and comprehensive income (loss) information by reportable segment for the three and nine months ended September 30, 2021 was as follows:

	3 months ended Sept. 30, 2021			Total
	Wireless Business	Digital Health Business	Financing Business	
	\$	\$	\$	\$
Revenue	1,380,997	4,095	136,982	1,522,074
Cost of sales	<u>748,608</u>	<u>44,953</u>	<u>-</u>	<u>793,561</u>
Gross profit (loss)	632,389	(40,858)	136,982	728,513
Expenses				
General and administration	321,386	236,878	97,312	655,576
Advertising and promotion	4,998	2,632	-	7,630
Depreciation - right-of-use assets	44,530	-	-	44,530
Amortization of property, plant and equipment	5,437	2,033	842	8,312
Amortization - intangible assets	-	25,000	-	25,000
Amortization of investment properties	<u>8,973</u>	<u>-</u>	<u>-</u>	<u>8,973</u>
Total expenses	<u>385,324</u>	<u>266,543</u>	<u>98,154</u>	<u>750,021</u>
Operating income (loss)	<u>247,065</u>	<u>(307,401)</u>	<u>38,828</u>	<u>(21,508)</u>
Investment income				
Rental income	39,633	-	-	39,633
Interest income	<u>5,175</u>	<u>-</u>	<u>-</u>	<u>5,175</u>
	<u>44,808</u>	<u>-</u>	<u>-</u>	<u>44,808</u>
Income (loss) from operations before income taxes	<u>291,873</u>	<u>(307,401)</u>	<u>38,828</u>	<u>23,300</u>

ADVENT-AWI HOLDINGS INC.**Notes to Condensed Interim Consolidated Financial Statements****For the three and nine months ended September 30, 2021 and 2020**

(Unaudited, expressed in Canadian dollars)

	9 months ended Sept. 30, 2021			Total \$
	Wireless Business \$	Digital Health Business \$	Financing Business \$	
Revenue	3,042,654	6,380	404,799	3,453,833
Cost of sales	<u>1,691,021</u>	<u>49,953</u>	<u>-</u>	<u>1,740,974</u>
Gross profit (loss)	1,351,633	(43,573)	404,799	1,712,859
Expenses				
General and administration	988,194	637,470	286,697	1,912,361
Advertising and promotion	15,887	3,612	-	19,499
Depreciation - right-of-use assets	133,933	-	-	133,933
Amortization of property, plant and equipment	16,185	5,776	2,526	24,487
Amortization - intangible assets	-	75,000	-	75,000
Amortization of investment properties	<u>26,919</u>	<u>-</u>	<u>-</u>	<u>26,919</u>
Total expenses	<u>1,181,118</u>	<u>721,858</u>	<u>289,223</u>	<u>2,192,199</u>
Operating income (loss)	<u>170,515</u>	<u>(765,431)</u>	<u>115,576</u>	<u>(479,340)</u>
Investment income				
Rental income	76,145	-	-	76,145
Interest income	<u>23,177</u>	<u>-</u>	<u>-</u>	<u>23,177</u>
	<u>99,322</u>	<u>-</u>	<u>-</u>	<u>99,322</u>
Income (loss) from operations before income taxes	<u>269,837</u>	<u>(765,431)</u>	<u>115,576</u>	<u>(380,018)</u>

ADVENT-AWI HOLDINGS INC.**Notes to Condensed Interim Consolidated Financial Statements****For the three and nine months ended September 30, 2021 and 2020**

(Unaudited, expressed in Canadian dollars)

Condensed interim consolidated statements of income (loss) information by reportable segment for the three and nine months ended September 30, 2020 was as follows:

	3 months ended Sept. 30, 2020			
	Wireless Business	Digital Health Business	Financing Business	Total
	\$	\$	\$	\$
Revenue	1,069,803	-	142,166	1,211,969
Cost of sales	<u>(584,716)</u>	<u>-</u>	<u>-</u>	<u>(584,716)</u>
Gross profit	485,087	-	142,166	627,253
Expenses				
General and administration	364,904	186,998	74,336	626,238
Advertising and promotion	5,638	-	-	5,638
Depreciation - right-of-use assets	47,683	-	-	47,683
Amortization of property, plant and equipment	10,632	-	841	11,473
Amortization of investment properties	<u>8,972</u>	<u>-</u>	<u>-</u>	<u>8,972</u>
Total expenses	<u>437,829</u>	<u>186,998</u>	<u>75,177</u>	<u>700,004</u>
Operating income (loss)	<u>47,258</u>	<u>(186,998)</u>	<u>66,989</u>	<u>(72,751)</u>
Investment income				
Rental income	13,689	-	-	13,689
Interest income	<u>8,980</u>	<u>-</u>	<u>-</u>	<u>8,980</u>
	<u>22,669</u>	<u>-</u>	<u>-</u>	<u>22,669</u>
Income (loss) from operations before income taxes	<u>69,927</u>	<u>(186,998)</u>	<u>66,989</u>	<u>(50,082)</u>

ADVENT-AWI HOLDINGS INC.**Notes to Condensed Interim Consolidated Financial Statements****For the three and nine months ended September 30, 2021 and 2020**

(Unaudited, expressed in Canadian dollars)

	9 months ended Sept. 30, 2020			Total \$
	Wireless Business \$	Digital Health Business \$	Financing Business \$	
Revenue	2,152,934	-	497,568	2,650,502
Cost of sales	<u>(1,145,494)</u>	<u>-</u>	<u>-</u>	<u>(1,145,494)</u>
Gross profit	1,007,440	-	497,568	1,505,008
Expenses				
General and administration	1,136,982	186,998	292,454	1,616,434
Advertising and promotion	14,298	-	-	14,298
Depreciation - right-of-use assets	132,599	-	-	132,599
Amortization of property, plant and equipment	32,602	-	2,525	35,127
Amortization of investment properties	<u>27,426</u>	<u>-</u>	<u>-</u>	<u>27,426</u>
Total expenses	<u>1,343,907</u>	<u>186,998</u>	<u>294,979</u>	<u>1,825,884</u>
Operating income (loss)	<u>(336,467)</u>	<u>(186,998)</u>	<u>202,589</u>	<u>(320,876)</u>
Investment income				
Rental income	51,840	-	-	51,840
Interest income	103,764	-	-	103,764
Gain on sale of assets	<u>1,483,121</u>	<u>-</u>	<u>-</u>	<u>1,483,121</u>
	<u>1,638,725</u>	<u>-</u>	<u>-</u>	<u>1,638,725</u>
Income (loss) from operations before income taxes	<u>1,302,258</u>	<u>(186,998)</u>	<u>202,589</u>	<u>1,317,849</u>

25. Dividends paid

Dividends amounting to \$596,776 (2020 - \$1,790,327) were paid on June 24, 2021.