



**GLOW LIFETECH CORP.**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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**Glow Lifetech Corp.**  
**Management's Responsibility of Financial Reporting**  
**June 30, 2021**

**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 financial statements have not been reviewed by an auditor. The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by management and approved by the Audit Committee and Board of Directors of the Company. The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

**GLOW LIFETECH CORP.**

## CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Unaudited - Expressed in Canadian dollars)

As at	June 30, 2021	December 31, 2020
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 2,008,500	\$ 1,800
Funds held in trust	96,822	-
Prepaid expenses	87,267	-
Inventory	78,214	-
HST and accounts receivable	376,788	799
	<b>2,647,591</b>	<b>2,599</b>
<b>Non-current assets</b>		
Property, plant and equipment (Note 5)	255,278	-
Intangible assets (notes 7 and 8)	2,033,958	-
	<b>\$ 4,936,827</b>	<b>\$ 2,599</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$ 685,328	\$ 315,572
	<b>685,328</b>	<b>315,572</b>
<b>Shareholders' equity</b>		
Capital stock (note 9)	12,474,741	25,598,091
Warrant reserve	835,538	-
Contributed Surplus	2,494,899	903,452
Deficit	(11,553,679)	(26,814,516)
	<b>4,251,499</b>	<b>(312,973)</b>
	<b>\$ 4,936,827</b>	<b>\$ 2,599</b>

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS

"Clark Kent"

President &amp; CEO, Director

"Chris Irwin"

Director

**GLOW LIFETECH CORP.****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS****FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2021 AND 2020**

(Unaudited - Expressed in Canadian dollars)

	Three months ended		Six months ended	
	2021-06-30	2020-06-30	2021-06-30	2020-06-30
<b>Expenses</b>				
Share-based compensation	\$ 18,771	\$ -	\$ 2,529,289	\$ -
Consulting fees	483,193	15,000	844,717	30,000
Management fees	45,000	-	45,000	-
Shareholder communications and marketing	191,894	-	260,656	-
Office, general and administrative	94,924	16,362	150,762	36,496
Salaries and benefits	16,132	-	37,732	-
Professional fees	192,342	7,500	309,342	11,671
Transfer agent and filing fees	72,263	-	72,263	-
Reverse takeover transaction cost (note 6)	-	-	7,248,328	-
Regulatory Fees	11,846	-	11,846	-
Advertising and promotion	40,482	-	40,482	-
Shipping and duties	1,453	-	1,453	-
Gain (loss) on FX	1,809	-	1,809	-
<b>Net loss and comprehensive loss for the period</b>	<b>\$ 1,170,109</b>	<b>\$ 38,862</b>	<b>\$ 11,553,679</b>	<b>\$ 78,167</b>
<b>Loss per share</b>				
Basic and diluted (note 15)	\$ (0.02)	\$ (0.01)	\$ (0.30)	\$ (0.02)
Weighted average number of common shares outstanding, basic and diluted	56,550,546	4,666,655	38,420,857	4,666,655

**GLOW LIFETECH CORP.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2021 AND 2020**  
(Unaudited - Expressed in Canadian dollars)

	Capital Stock		Warrant Reserve	Contributed surplus	Deficit	Total
	Number of shares	Amount				
Balance - January 1, 2020	4,666,655	25,598,091	-	903,452	(26,661,037)	(159,494)
Net loss for the period	-	-	-	-	(153,479)	(153,479)
<b>Balance - December 31, 2020</b>	<b>4,666,655</b>	<b>25,598,091</b>	<b>-</b>	<b>903,452</b>	<b>(26,814,516)</b>	<b>(312,973)</b>
<b>Balance - January 1, 2020</b>	4,666,655	25,598,091	-	903,452	(26,661,037)	(159,494)
Net loss for the period	-	-	-	-	(78,167)	(78,167)
<b>Balance - June 30, 2020</b>	<b>4,666,655</b>	<b>25,598,091</b>	<b>-</b>	<b>903,452</b>	<b>(26,739,204)</b>	<b>(237,661)</b>
<b>Balance - January 1, 2021</b>	4,666,655	25,598,091	-	903,452	(26,814,516)	(312,973)
Shares issued on the settlement of debt	8,750,000	175,000	-	-	-	175,000
Share consolidation	(4,472,488)	-	-	-	-	-
Reduction in stated capital of common shares	-	(26,814,516)	-	-	26,814,516	-
Shares issued pursuant to reverse takeover transaction (Note 6)	47,334,379	13,347,348	852,966	(903,452)	-	13,296,862
Shares issued on the exercise of options	150,000	79,391	-	(34,391)	-	45,000
Shares issued on the exercise of warrants	180,000	89,428	(17,428)	-	-	72,000
Share-based compensation	-	-	-	2,529,289	-	2,529,289
Net loss for the period	-	-	-	-	(11,553,679)	(11,553,679)
<b>Balance - June 30, 2021</b>	<b>56,608,546</b>	<b>12,474,741</b>	<b>835,538</b>	<b>2,494,899</b>	<b>(11,553,679)</b>	<b>4,251,499</b>

**GLOW LIFETECH CORP.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2021 AND 2020**  
(Unaudited - Expressed in Canadian dollars)

	2021	2020
<b>Cash flows from (used in) operating activities</b>		
Net loss for the year	\$ (11,553,679)	\$ (78,167)
<b>Items not affecting cash from operations:</b>		
Share based compensaton	2,529,289	-
Reverse takeover transaction cost (note 6)	7,248,328	-
<b>Changes in non-cash working capital items:</b>		
Funds held in trust	(96,822)	-
Amounts receivable	-	(157)
HST receivable	(375,989)	-
Prepaid expenses	(87,267)	-
Inventory	(78,214)	-
Accounts payable and accrued liabilities	335,366	60,439
<b>Net cash used in operating activities</b>	<b>(2,078,988)</b>	<b>(17,885)</b>
<b>Cash flows from (used in) investing activities</b>		
Acquisition of property plant and equipment	(255,278)	-
Intangibles	(2,033,958)	-
<b>Net cash from (used in) investing activities</b>	<b>(2,289,236)</b>	<b>-</b>
<b>Cash flows from (used in) financing activities</b>		
Net impact of RTO transaction	(20,439,592)	-
Reduction in stated capital of common shares	26,814,516	-
<b>Net cash from financing activities</b>	<b>6,374,924</b>	<b>-</b>
<b>Increase in cash for the year</b>	<b>2,006,700</b>	<b>(17,885)</b>
<b>Cash - beginning of period</b>	<b>1,800</b>	<b>20,451</b>
<b>Cash - end of period</b>	<b>\$ 2,008,500</b>	<b>\$ 2,566</b>

**GLOW LIFETECH CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2021 AND 2020**  
**(Unaudited - Expressed in Canadian dollars)**

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**1. NATURE OF OPERATIONS AND GOING CONCERN**

Glow LifeTech Corp. (formerly Glow LifeTech Ltd.) (the “Original Glow”) was incorporated under the laws of the province of Ontario, Canada on December 17, 2018 as 2671237 Ontario Ltd and on February 6, 2019 filed Articles of Amendment, changing its name to Glow LifeTech Ltd. Upon completion of the transaction contemplated by the Share Exchange Agreement (as hereinafter defined), the business of Glow LifeTech Ltd. became the business of Glow LifeTech Corp (the “Company”).

On March 3, 2021, Original Glow completed a business combination pursuant to the terms of a Business Combination Agreement dated June 24, 2020 (the “Business Combination Agreement”) amongst Original Glow, Ateba Resources Inc. (“Ateba”) and the shareholders of Original Glow by way of three-cornered amalgamation. On June 15, 2021 2760626 Ontario Inc. was incorporated (“subco”) which is a wholly-owned subsidiary of Ateba solely for the purpose of completing the Amalgamation with Original Glow completed on March 3, 2021. Pursuant to the Business Combination Agreement, Ateba issued 47,334,379 common shares to the Original Glow shareholders, representing approximately 84.1% of the issued share capital of Ateba on the closing date of the transaction. On February 26, 2020, Ateba pursuant to the terms of the transaction changes its name to “Glow Lifetech Corp.”.

The principal business address of the Company is 65 International Blvd. Suite 206, Toronto, Ontario M9W 6L9.

The company is engaged in the business of secondary processing of ingredients to produce micellized materials from certain vitamins, nutraceuticals and cannabis extracts that makes fat-soluble substances available for immediate absorption into the body reach near 100% bioavailability and water compatibility.

The Company’s ability to continue as a going concern is dependent upon the need to both manage expenditures and to raise additional funds. The Company is experiencing, and has experienced, negative operating cash flows and has working capital of \$1,962,263 as at June 30, 2021 (December 31, 2020 – (\$312,973)). The Company will continue to search for new or alternate sources of financing in order to continue development of its products. These material uncertainties cast significant doubt on the Company’s ability to continue as a going concern.

There can be no assurance that the Company will be able to continue to raise funds when required in which case the Company may be unable to meet its obligations. Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the statement of financial position.

**2. BASIS OF PRESENTATION**

These consolidated financial statements include the accounts of Glow Lifetech Ltd. a wholly owned Canadian subsidiary acquired by the Company on March 3, 2021 and Swiss Pharma Corp. a wholly owned Canadian subsidiary acquired by Glow LifeTech Ltd. on June 10, 2020.

**GLOW LIFETECH CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
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**(Unaudited - Expressed in Canadian dollars)**

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**Statement of Compliance**

These condensed interim consolidated financial statements of Glow LifeTech Corp. and its subsidiary, as at and for the period ended June 30, 2021, have been prepared in accordance with IAS 34, Interim Financial Reporting. These condensed interim consolidated financial statements do not include all notes of the type normally included within the annual financial report and should be read in conjunction with the audited financial statements of the Company for the period from January 1, 2020 to December 31, 2020, which has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

These condensed interim consolidated financial statements of the Company for the period ended June 30, 2021 were approved and authorized for issue by the Board of Directors on August 30, 2021.

**Basis of Measurement**

These consolidated financial statements have been prepared on the historical cost basis. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

**Functional and Presentation Currency**

The consolidated financial statements are presented in Canadian dollars, which is also the Company's functional currency.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The following accounting policies have been applied consistently to all periods presented in these consolidated financial statements:

**(a) IMPAIRMENT**

At each financial position reporting date, the carrying amounts of the Company's long-lived assets are reviewed to determine whether there is any indication that those assets are impaired at a cash generating unit level. If any such indication exists, the recoverable amount of the cash generating unit is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use, which is the present value of future cash flows expected to be derived. If the recoverable amount is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period.

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

**(b) INTANGIBLE ASSETS**

The Company records intangible assets at fair value at the date of acquisition. An intangible asset is capitalized when the economic benefit associated with an asset is



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probable and when the cost can be measured reliably. Intangible assets are carried at cost less accumulated depreciation and impairment losses. Cost consists of expenditures directly attributable to the acquisition of the assets. Intangible assets with finite lives are amortized over the related benefit period. Those with indefinite lives are not amortized and are tested for impairment on an annual basis. The Company's intangible assets consist of patents, patent applications and research and development costs that are amortized over their five-year estimated useful life commencing with their utilization in revenue generating activities.

**(c) RESEARCH AND DEVELOPMENT COSTS**

Costs associated with the development of the Company's products are capitalized where the following criteria are met:

- the technical feasibility of completing the intangible asset so it will be available for use or sale;
- its intention to complete and its ability to use or sell the assets;
- how the asset will generate future economic benefits;
- the availability of resources to complete the asset; and
- the ability to measure reliably of the expenditure during development.

In the prior year the Company acquired a research and development project which was capitalized and included in intangibles. The Company did not incur other research and development costs in the period.

**(d) SHARE-BASED PAYMENTS**

The Company accounts for share-based payments using the fair value method. Under this method, employee stock options recognized as compensation expense are measured at fair value on the date of grant using the Black Scholes option pricing model, and are recognized as an expense or capitalized, depending on the nature of the grant, with a corresponding increase in equity, over the period that the employees earn the options. The amount recognized as an expense is adjusted to reflect the number of share options expected to vest. The Black Scholes option pricing model requires the input of subjective assumptions, including the expected term of the option and stock price volatility.

For transactions with employees and others providing similar services, the Company measures the fair value of the services received by reference to the fair value of the services rendered. For transactions with parties other than employees, the Company measures the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. When the Company cannot estimate reliably the fair value of the goods or services received, it measures their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted.

**(e) FOREIGN CURRENCY TRANSLATION**

The Company's functional and presentation currency is the Canadian dollar. Foreign currency transactions are initially recorded in the functional currency at the transaction date exchange rate. At closing date, monetary assets and liabilities denominated in a foreign currency are translated into the functional currency at the closing date exchange

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rate, and non-monetary assets and liabilities at the historical rates. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognized in profit or loss.

**(f) FINANCIAL INSTRUMENTS**

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains the primary measurement categories for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit and loss ("FVTPL").

Below is a summary showing the classification and measurement bases of financial instruments;

<b>Asset or Liability</b>	<b>Category</b>	<b>Measurement</b>
Cash and funds held in trust	FVTPL	Fair value
Accounts payable and accrued liabilities	Other liabilities	Amortized cost
Loans and advances	Current assets	Fair value
Related party receivables	Current assets	Fair Value

*Financial assets*

Financial assets are classified as either financial assets at FVTPL, amortized cost, or FVTOCI. The Company determines the classification of its financial assets at initial recognition.

- (i) Financial assets recorded at FVTPL  
 Financial assets are classified as FVTPL if they do not meet the criteria of amortized cost or FVTOCI. Gains or losses on these items are recognized in profit or loss. The Company's cash and cash equivalents and marketable securities are classified as financial assets measured at FVTPL.
- (ii) Amortized cost  
 Financial assets are classified as measured at amortized cost if both of the following criteria are met and the financial assets are not designated as at FVTPL: 1) the object of the Company's business model for these financial assets is to collect their contractual cash flows; and 2) the asset's contractual cash flows represent "solely payments of principal and interest". The Company's loan receivable is classified as financial assets measured at amortized cost.

*Financial liabilities*

Financial liabilities are classified as either financial liabilities at FVTPL or at amortized cost. The Company determines the classification of its financial liabilities at initial recognition.

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- (i) **Amortized cost**  
Financial liabilities are classified as measured at amortized cost unless they fall into one of the following categories: financial liabilities at FVTPL, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition, financial guarantee contracts, commitments to provide a loan at a below-market interest rate, or contingent consideration recognized by an acquirer in a business combination.  
The Company's accounts payable and accrued liabilities and Due to shareholders do not fall into any of the exemptions and are therefore classified as measured at amortized cost.
- (ii) **Financial liabilities recorded FVTPL**  
Financial liabilities are classified as FVTPL if they fall into one of the five exemptions detailed above.

*Transaction costs*

Transaction costs associated with financial instruments, carried at FVTPL, are expensed as incurred, while transaction costs associated with all other financial instruments are included in the initial carrying amount of the asset or the liability.

*Subsequent measurement*

Instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized in profit or loss. Instruments classified as amortized cost are measured at amortized cost using the effective interest rate method. Instruments classified as FVTOCI are measured at fair value with unrealized gains and losses recognized in other comprehensive income.

*Derecognition*

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled, or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

*Expected credit loss impairment model*

IFRS 9 introduced a single expected credit loss impairment model, which is based on changes in credit quality since initial application. The adoption of the expected credit loss impairment model had no impact on the Company's consolidated financial statements.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full or when the financial asset is more than 90 days past due.

The carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

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*Financial instruments at fair value through profit and loss*

Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices): and

Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Cash and funds held in trust are measured at fair value using Level 1 inputs.

As at June 30, 2021 and June 30, 2020, the fair value of the financial liabilities approximates the carrying value, due to the short-term nature of the instruments.

**(g) REVENUE RECOGNITION**

Product sales revenue is recognized when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is recognized on a time-proportion basis using the effective interest method.

**(h) FUNDS HELD IN TRUST**

Funds held in trust consists of cash on hand, deposits in banks and funds held in trust by the Company's external legal counsel. Funds held in trust are not restricted and can be used for working capital purposes.

**(i) PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of loss and comprehensive loss during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss in the period.

Amortization is calculated on a straight-line basis at the following annual rates:

Laboratory and technical equipment	3 years
Office, furniture and equipment	3 years
Computer equipment	2 years

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**(j) INCOME TAXES**

Income tax on profit or loss for the year comprises of current and deferred tax. Current tax is the expected tax paid or payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax paid or payable in respect of previous years.

Deferred tax is recorded using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. The effect on deferred income tax assets and liabilities of a change in income tax rates is recognized in the period that includes the date of the enactment or substantive enactment of the change. Deferred tax assets and liabilities are presented separately except where there is a right of set off within fiscal jurisdictions.

**(k) COMPREHENSIVE INCOME (LOSS)**

Comprehensive income (loss) consists of net income (loss) and other comprehensive income (loss) and represents the change in shareholders' equity which results from transactions and events from sources other than the Company's shareholders. Income or loss from an investment in associate is included in other comprehensive income (loss). Accumulated other comprehensive income (net of income taxes) is included on the consolidated statements of financial position as a component of common shareholders' equity.

**4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES**

The preparation of these consolidated financial statements in conformity with IFRS requires that management make estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the interim non-consolidated financial statements. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

**(ii) Critical accounting estimates**

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and are, but are not limited to, the following:

*Share based payments and warrants*

The fair value of stock options and warrants issued are subject to the limitation of the Black Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the

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Black Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

*Useful life of intangible assets*

Management has exercised their judgment in determining the useful life of its patents, patent applications and research and development costs. The estimate is based on the expected period of benefit of the patent and the expected life of the product in the marketplace.

(iii) Critical accounting judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are, but are not limited to, the following:

*Determination of functional currency*

In accordance with IAS 21, The Effects of Changes in Foreign Exchange Rates, management has determined that the functional currency of the Company is the Canadian dollar.

*Evaluation of going concern*

The preparation of the consolidated financial statements requires management to make judgments regarding the going concern of the Company as previously discussed in Note 1.

*Impairment of intangible assets*

Management has exercised their judgment in determining if the patents are impaired. The judgment is based on the expected future benefit of the intangible assets.

*Income taxes*

Management has exercised their judgment in determining the provision for future income taxes. The judgment is based on the Company's current understanding of the tax law as it relates to the transactions and activities entered into by the Company.

**5. PROPERTY PLANT AND EQUIPMENT**

Glow has entered a collaborative partnership with a Health Canada licensed producer ("MEDZ") for cannabis product manufacturing. Glow will perform manufacturing services within a dedicated facility under the quality and compliance control of MEDZ. Glow will operate its own equipment as a contractor of MEDZ, but all products are released under MEDZ license. The Company has begun the build out of this manufacturing facility but it is not in use yet.

**6. REVERSE TAKEOVER TRANSACTION**

On March 3, 2021, the company completed a transaction pursuant to the terms of a share exchange agreement ("Share Exchange Agreement") with Ateba Resources Inc. Pursuant to the Share Exchange Agreement, Glow LifeTech Ltd. shares were exchanged on a 1:1 basis for the issuance of Glow LifeTech Corp. shares.

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**(Unaudited - Expressed in Canadian dollars)**

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As a result of the Share Exchange Agreement, the shareholders of Glow LifeTech Ltd. owned 47,334,379 outstanding shares of Glow LifeTech Corp. The substance of the transaction is a reverse takeover of a non-operating company. The transaction does not constitute a business combination, as Ateba does not meet the definition of a business under IFRS 3, Business Combination. As a result, the transaction is accounted for as a capital transaction with Glow Lifetech Ltd. being identified as the acquirer and the equity consideration accounted for in accordance with IFRS 2, Share-based Payment, measured at fair value.

The fair value of the consideration paid of \$7,313,614 has been allocated as follows:

Cash	1,226
Accounts payable	(44,230)
Accrued liabilities	(12,000)
Receivables	255
Other payables	(10,537)
Net Assets acquired / net equity	<b>(65,286)</b>
Transaction costs	<b>7,248,328</b>
Purchase price	<b>7,313,614</b>

**7. INVESTMENT IN SUBSIDIARY**

On October 3, 2019, the company signed a binding letter of intent (the LOI) with Swiss PharmaCan AG / Micelle Technologies AG / Mivital (collectively SMM) to acquire a 100% interest in Swiss Pharma Corp. (SPC) and to establish an international joint-venture partnership to advance the business plan of SPC. SMM is in the business of developing and producing micellized materials including cannabis for medical, supplemental and recreational use and under the terms of the LOI has granted exclusive license to certain intellectual property of SMM, consisting of cannabis related formulations, iron formulations, curcumin formulations and vitamin K formulations to SPC.

On June 1, 2020, the Company entered into a Share Exchange Agreement (the Agreement) between the Company, Swiss Pharmacan AG and Swiss Pharma Corp., whereby the Company acquired all of the issued and outstanding shares of Swiss Pharma Corp. from Swiss Pharmacan AG for the aggregate purchase price of CAD\$6,000,000. The net assets held by Swiss Pharma Corp. consist primarily of an Exclusive License Agreement dated January 7, 2020 between Swiss Pharma Corp. and Swiss Pharmacan AG as described in Note 7. As Swiss Pharma Corp. did not meet the definition of a business under IFRS 3, the acquisition has been accounted for as an asset acquisition whereby the Company is considered to acquire the net assets of Swiss Pharma Corp. at their fair market value, with the total purchase price attributed to the fair market value of Swiss Pharma Corp.'s Exclusive License Agreement.

The purchase price of CAD\$6,000,000 is to be satisfied as follows:

- (i) an initial payment of CHF\$250,000, such payment being made on the signing of the binding Letter of Intent which was paid on October 3, 2019;
- (ii) an additional payment of CHF\$250,000 payable on or before 90 days following the execution of the Agreement which was paid on July 16, 2020;

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- (iii) the issuance to Swiss Pharmacan AG of an aggregate 30,000,000 shares of the Company as fully paid and non-assessable, at a deemed price equal to CAD\$0.20 per share in accordance with the following schedule of deliverables by Swiss Pharmacan AG:
- a. 5,000,000 shares issued to Swiss Pharmacan AG upon execution of the agreement which were issues on June 1, 2020;
  - b. an additional 10,000,000 shares issued to Swiss Pharmacan AG upon the transfer to and receipt by the Company of reactor documentation, operating protocols and other relevant know-how to allow the Company to commercialize the Intellectual Property pursuant to a License Agreement dated January 7, 2020 between Swiss Pharma Corp. and Swiss Pharmacan AG;
  - c. an additional 5,000,000 shares issued to Swiss Pharmacan AG upon successful completion of the first bio-reactor build and transport of the machine to the facilities of the Company and successful set-up at the Company's facilities;
  - d. an additional 5,000,000 shares issued to Swiss Pharmacan AG upon successful testing of the bio-reactor at the Company's facilities, to the Company's satisfaction;
  - e. an additional 2,000,000 shares issued to Swiss Pharmacan AG at the time of the first commercial shipment of products processed using the bio-reactor; and,
  - f. an additional 3,000,000 shares issued to Swiss Pharmacan AG upon receipt to the Company of CAD\$10,000,000 in gross revenues through the direct commercialization of the Intellectual Property as contemplated by the License Agreement.

As this acquisition is to be completed in stages as described above, with specific actions required to complete each stage, the acquisition of and valuation of the net assets acquired is being accounted for as a series of contracts, with recognition of each stage at such time that relative certainty exists that each stage's requirements have been satisfied.

## **8. INTANGIBLES**

On April 3, 2019, the Company purchased from Relay Medical Corp. a suite of technology assets for 6,250,000 common shares valued at \$333,333. The assets purchased include copyright and trade names, provisional IP, trade secrets, user trial methodologies, supply chain agreements, prototypes, software and toolkits.

The net intangible assets of \$1,700,625 held by Swiss Pharma Corp. consist primarily of an Exclusive License Agreement dated January 7, 2020 between Swiss Pharma Corp. and Swiss Pharmacan AG for the use by Swiss Pharma Corp. of Swiss Pharmacan AG's technology including Intellectual Property, Patents and the Know-how, including any improvements, to develop its business for certain cannabis and nutraceutical products in Canada, the United States and Mexico.



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**9. CAPITAL STOCK**

**(a) Common shares**

**Authorized**

The authorized capital stock of the Company consists of an unlimited number of common shares.

**Issued and Outstanding**

	<u>#</u>	<u>\$</u>
Opening January 1, 2021	4,666,655	25,598,091
Debt settlement	8,750,000	175,000
Share consolidation 1.5:1	(4,472,488)	-
Ateba reduction in stated capital	-	(26,814,516)
RTO transaction	29,545,950	8,863,785
Financing @ \$0.30	17,788,429	4,483,562
Shares issued on exercise of options	150,000	89,428
Shares issued on exercise of warrants	180,000	79,391
<b>Closing June 30, 2021</b>	<b><u>56,608,546</u></b>	<b><u>12,474,740</u></b>

- i. Prior to Amalgamation, Ateba issued 8,750,000 common shares for the settlement of debt owing of \$175,000 at a price of \$0.02 per common share. The shares of Ateba were then consolidated on a 1.5:1 basis resulting in issued and outstanding shares of 8,944,167.
- ii. Prior to Amalgamation, as approved by an Ateba shareholder meeting, a reduction in the stated capital of the common shares of the company by \$26,814,516.
- iii. On March 3, 2021, under the terms of the acquisition, Ateba acquired 100% of the issued and outstanding common shares of Original Glow in exchange for 29,545,950 common shares in the capital of Ateba valued at \$0.2 per share, totaling 5,909,190.
- iv. On March 2, 2021, the Company completed a private placement of 17,138,432 units at a price of \$0.30 per unit for gross proceeds of \$5,141,529. Each unit consisting of one common share of the Company and one-half of one common share purchase warrant. Each warrant shall entitle the holder thereof to purchase one common share in the capital of the Company for a period of eighteen months from the closing at a price of CAD\$0.40 per warrant. In addition, 649,997 units at a price of \$0.30 per unit for gross proceeds of \$195,000 were issued for settlement of debt.
- v. On March 18, 2021, 150,000 options were exercised at an exercise price of \$0.30 per unit for gross proceeds of \$45,000 resulting in the issuance of 150,000 common stock.
- vi. On April 30, 2021, 180,000 warrants were exercised at an exercise price of \$0.40 per unit for gross proceeds of \$72,000.

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**(b) Stock option plan and share-based compensation**

The Company has a stock option plan under which it is authorized to grant options to directors, employees and consultants enabling them to acquire up to 20% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option equals the market price, minimum price, or a discounted price of the Company's shares as calculated on the date of grant.

	Number of Options Outstanding	Black-Scholes Value	Weighted Average Exercise Price
<b>Balance - December 31, 2020</b>	-	-	-
Granted	10,800,000	2,476,128	0.30
Exercised	150,000	34,391	0.30
<b>Balance - March 31, 2021</b>	<b>10,650,000</b>	<b>2,441,738</b>	<b>\$ 0.30</b>
Granted	210,000	53,161	0.34
<b>Balance - June 30, 2021</b>	<b>10,860,000</b>	<b>2,494,899</b>	<b>\$ 0.34</b>

- (i) On March 3, 2021, the Company announced that it has granted an aggregate of 10,800,000 options to purchase common shares of the company with an estimated fair value of \$2,476,128 exercisable at a price of \$0.30 per common share, vesting immediately and expiring March 4, 2026 to certain directors, officers and consultants of the Company.

On May 28, 2021, the Company also issued 210,000 options with an estimated fair value of \$54,291 exercisable at a price of \$0.34 per common share, vesting immediately and expiring May 28, 2026 to certain officers and consultants of the Company.

The following common share purchase options are outstanding as at June 30, 2021:

Date of Grant	Number of Options Outstanding	Exercise Price	Weighted average remaining life (years)	Expiry Date	Number of Options exercisable
March 3, 2021	10,800,000	\$ 0.30	4.67	March 4, 2026	10,800,000
May 28, 2021	210,000	\$ 0.34	4.92	May 28, 2026	210,000
	<b>11,010,000</b>		<b>4.67</b>		<b>11,010,000</b>

The fair value of options granted during the quarter ended June 30, 2021 and 2020 was estimated at the date of grant using a Black Scholes Option Pricing Model with the following assumptions:

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	<b>March 3</b>	<b>May 28</b>
	<b>2021</b>	<b>2021</b>
Share price	\$0.30	\$0.34
Risk free interest rate	0.70%	0.75%
Expected life of options	5 years	5 years

**(C) Warrants**

The following table summarizes warrants that have been issued, exercised, or have expired during the quarter ended June 30, 2021:

	<b>Number of</b>		<b>Black-Scholes</b>		<b>Weighted</b>
	<b>Warrants</b>		<b>Value</b>		<b>Average</b>
	<b>Outstanding</b>		<b>Value</b>		<b>Exercise Price</b>
Balance - December 31, 2020	-	\$	-	\$	-
Granted	8,809,838		852,966		0.40
Exercised	180,000		17,428		0.40
<b>Balance - June 30, 2021</b>	<b>8,629,838</b>	<b>\$</b>	<b>835,538</b>	<b>\$</b>	<b>0.40</b>

The fair value of warrants granted was estimated at the date of grant using a Black Scholes Option Pricing Model with the following assumptions:

	<b>February 2021</b>
Share price	\$ 0.30
Risk free interest rate	0.26%
Time to maturity - years	1.50
Annualized volatility	87%
Dividend yield	NIL

As at June 30, 2021, the following warrants were outstanding. The warrants entitle the holders to purchase the stated number of common shares at the exercise price on or before the expiry date:

<b>Date of Grant</b>	<b>Number of Warrants Outstanding</b>		<b>Exercise Price</b>		<b>Fair Value</b>	<b>Expiry Date</b>
March 3, 2021 - April 1, 2021	8,629,838	\$	0.30	\$	852,966	August 11, 2022 - September 2, 2022
	<b>8,629,838</b>		<b>\$</b>		<b>852,966</b>	

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**10. RELATED PARTY TRANSACTIONS**

During the period, the Company paid managements fees of \$45,000 and rent of \$37,889 to Relay Medical Corp., a shareholder of the company.

These transactions are in the normal course of operations.

**11. FINANCIAL RISK FACTORS**

The Company manages its exposure to a number of different financial risks arising from its operations as well as its use of financial instruments including market risks, credit risk and liquidity risk through its risk management strategy. The objective of the strategy is to support the delivery of the Company's financial targets while protecting its future financial security and flexibility.

Financial risks are primarily managed and monitored through operating and financing activities and, if required. The financial risks are evaluated regularly with due consideration to changes in the key economic indicators and up-to-date market information.

The Company's financial instruments primarily consist of cash. The fair value of the Company's accounts payable and accrued liabilities approximates their carrying value, due to their short-term maturities or ability of prompt liquidation.

The Company's cash is recorded at fair value, under the fair value hierarchy, based on level one quoted prices in active markets for identical assets of liabilities. The Company is exposed in varying degrees to a variety of financial instrument related risks.

**Market Risk**

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of the business. These market risks are evaluated by monitoring changes in key economic indicators and market information on an on-going basis.

**Interest Rate Risk**

The Company has cash balances and is not at a significant risk to fluctuating interest rates. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The Company monitors the credit worthiness of the debtor and is satisfied with the debtor's ability to repay the amount owing.

**Foreign currency risk**

As at June 30, 2021 the Company's expenditures are predominantly in Canadian dollars, and any future equity raised is expected to be predominantly in Canadian dollars and therefore is not at a significant risk to fluctuating exchange risks.

**Liquidity Risk**

Liquidity risk encompasses the risk that a company cannot meet its financial obligations

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in full. The Company's main source of liquidity is derived from its common stock issuances. These funds are primarily used to finance working capital, operating expenses, capexpenditures, and acquisitions.

The Company manages its liquidity risk by regularly monitoring its cash flows from operating activities and holding adequate amounts of cash and cash equivalents. As at June 30, 2021 the Company held cash in banks and cash in trust of \$2,105,322 (December 31, 2020 - \$1,800) to settle current liabilities of \$685,328 (December 31, 2020 - \$315,572).

**Credit Risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash. The Company has reduced its credit risk by investing its cash in trust with Canadian chartered banks.

**12. SUBSEQUENT EVENTS**

On July 30, 2021 the Company announced a strategic investment with a minority stake in Nova Mentis (CSE:NOVA) by purchasing 854,000 of the outstanding shares in the open market with an approximate book value of \$105,000.

Nova aims to develop psilocybin based therapies for the treatment of Autism Spectrum Disorder ("Autism" or "ASD") and Fragile X Syndrome ("FXS"). Nova will also aim to recruit participants across the U.S and Canada for its large-scale observational study to assess the gut microbiome, immune response, and serotonin activity, as all these systems are likely involved in producing the variety of gut and behavioural symptoms observed in Autism and FXS.