

**LOVE PHARMA INC.**  
(formerly GLENBRIAR TECHNOLOGIES INC.)

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**Expressed in Canadian Dollars**

**FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2021  
AND  
FOR THE PERIOD FROM INCORPORATION ON JANUARY 29, 2020  
TO SEPTEMBER 30, 2020**

**LOVE PHARMA INC. (formerly GLENBRIAR TECHNOLOGIES INC.)**

## CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Expressed in Canadian Dollars

(Unaudited – Prepared by Management)

	As at September 30, 2021	As at December 31, 2020
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 949,034	\$ 530,660
Prepays	585,372	6,682
Deposit	181,195	-
<b>Total current assets</b>	<b>1,715,601</b>	<b>537,342</b>
<b>Non-current assets</b>		
Investments (Note 4)	728,419	-
Intangible assets (Note 7)	1,716,310	239,422
<b>Total assets</b>	<b>\$ 4,160,330</b>	<b>\$ 776,764</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Unearned revenue	\$ 123,000	\$ -
Accounts payable and accrued liabilities (Note 10)	341,249	135,853
GST payable	4,867	-
Loans payable (Note 8)	213,402	213,402
<b>Total liabilities</b>	<b>682,518</b>	<b>349,255</b>
<b>Equity</b>		
Capital stock (Note 9)	10,112,325	586,001
Contributed surplus (Note 9)	226,100	-
Deficit	(6,860,613)	(158,492)
<b>Total equity</b>	<b>3,477,812</b>	<b>427,509</b>
<b>Total liabilities and equity</b>	<b>\$ 4,160,330</b>	<b>\$ 776,764</b>

Nature and continuance of operations (Note 1)

On behalf of the Board:

“Zach Stadnyk”

Director

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

**LOVE PHARMA INC. (formerly GLENBRIAR TECHNOLOGIES INC.)**  
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS  
Expressed in Canadian Dollars  
(Unaudited – Prepared by Management)

	Three month period ended September 30, 2021	Three month period ended September 30, 2020	Nine month period ended September 30, 2021	Period from incorporation on January 29, 2020 to September 30, 2020
<b>EXPENSES</b>				
Consulting	\$ 147,240	5,250	\$ 247,474	5,250
Filing fees	19,939	-	19,939	-
Foreign exchange	(22)	166	(2,423)	120
Investor relations	-	-	9,000	-
Listing expenses	6,036,948	-	6,036,948	-
Office and miscellaneous	31,206	99	93,111	1,327
Professional fees	106,326	26,491	271,072	45,411
Travel and entertainment	-	-	27,000	-
<b>Loss and comprehensive loss for the period</b>	<b>\$ (6,341,637)</b>	<b>\$ (32,006)</b>	<b>\$ (6,702,121)</b>	<b>\$ (52,108)</b>
<b>Basic and diluted loss per common share</b>	<b>\$ (0.03)</b>	<b>\$ (0.00)</b>	<b>\$ (0.04)</b>	<b>\$ (0.00)</b>
<b>Weighted average number of common shares outstanding</b>	<b>197,399,606</b>	<b>1</b>	<b>180,691,623</b>	<b>1</b>

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

**LOVE PHARMA INC. (formerly GLENBRIAR TECHNOLOGIES INC.)**

## CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

Expressed in Canadian Dollars

(Unaudited – Prepared by Management)

**For the nine month period ended September 30, 2021 and the period from incorporation on January 29, 2020 to September 30, 2020**

	Number of shares	Capital stock	Contributed surplus	Deficit	Total equity
January 29, 2020	-	\$ -	\$ -	\$ -	\$ -
Common shares - placement, net of fees	1	1	-	-	1
Loss for the period	-	-	-	(52,108)	(52,108)
September 30, 2020	1	1	-	(52,108)	(52,107)
Common shares - placement, net of fees	156,600,000	586,000	-	-	586,000
Loss for the period	-	-	-	(106,384)	(106,384)
December 31, 2020	156,600,001	586,001	-	(158,492)	427,509
Common shares - placements, net of fees	26,467,856	1,615,199	58,900	-	1,674,099
Share capital of Love Pharma as at September 20, 2021	108,852,088	6,588,955	-	-	6,588,955
Elimination of Love Pharma's equity	-	(6,588,955)	-	-	(6,588,955)
Shares issued on RTO	-	6,531,125	-	-	6,531,125
Warrants issued on RTO	-	-	167,200	-	167,200
Shares issued for acquisition of 1288339 BC Ltd.	20,000,000	1,200,000	-	-	1,200,000
Shares issued for product license agreement	3,000,000	180,000	-	-	180,000
Loss for the period	-	-	-	(6,702,121)	(6,702,121)
September 30, 2021	314,919,945	\$ 10,112,325	\$ 226,100	\$ (6,860,613)	\$ 3,477,812

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

**LOVE PHARMA INC. (formerly GLENBRIAR TECHNOLOGIES INC.)**

## CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

Expressed in Canadian Dollars

(Unaudited – Prepared by Management)

	Nine months period ended September 30, 2021	Period from incorporation on January 29, 2020 to September 30, 2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss for the period	\$ (6,702,121)	\$ (52,108)
Items not involving cash:		
Listing fees	6,036,948	-
Changes in non-cash working capital items:		
Increase in deposits	(181,195)	-
Increase in prepaids	(328,690)	-
Unearned revenue collected	123,000	-
GST payable	(1,937)	-
Increase in accounts payable and accrued liabilities	106,170	45,693
Net cash used in operating activities	(947,825)	(6,415)
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>		
Cash acquired on acquisition (Note 5)	24,255	-
Purchase of intangible assets	(96,888)	(65,500)
Net cash used in investing activities	(72,633)	(65,500)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Shares issued	1,729,105	1
Subscriptions received in advance	-	115,000
Loans received	-	66,601
Loans advanced	(290,273)	-
Net cash provided by financing activities	1,438,832	181,602
<b>Change in cash for the period</b>	418,374	109,687
<b>Cash, beginning of period</b>	530,660	142
<b>Cash, end of period</b>	\$ 949,034	\$ 109,829

There was no cash paid for interest or taxes, for the nine months period ended September 30, 2021 or for the period from incorporation on January 29, 2020 to September 30, 2020.

Non-cash transactions during the period ended September 30, 2021 included:

- i) Finders' warrants granted with a fair value of \$58,900 (2020 - \$Nil).

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

# **LOVE PHARMA INC. (formerly GLENBRIAR TECHNOLOGIES INC.)**

## **NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

Expressed in Canadian Dollars

(Unaudited – Prepared by Management)

**For the nine months period ended September 30, 2021 and from incorporation on January 29, 2020 to September 30, 2020**

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### **1. NATURE AND CONTINUANCE OF OPERATIONS**

Love Pharma Inc. (formerly Glenbriar Technologies Inc.) (the “Company”) is a publicly traded company listed on the Canadian Securities Exchange (trading symbol; LUV). The Company is a licensee of certain technologies relating to Cannabinoids (“CBD”). The Company’s registered address is 20th Floor, 250 Howe Street, Vancouver, BC V6C 3R8.

On September 20, 2021, the Company acquired 100% of the issued and outstanding common shares of Kick Pharmaceutical Inc. (“Kick”) in exchange for 183,067,857 of the Company’s common shares (Note 5). The acquisition was accounted for as a reverse takeover whereby Kick obtained a listing of its shares on the CSE.

These condensed interim consolidated financial statements have been prepared in accordance with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The continued operations of the Company are dependent on its ability to develop a sufficient financing plan, receive financial support from related parties, complete sufficient equity financings or generate profitable operations in the future. The material uncertainty from these events and conditions may cast significant doubt on the Company’s ability to continue as a going concern. The financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue business.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. The impact of the COVID-19 pandemic has major implications for all economic activities, including that of the Company. At this time, it is not possible to predict the duration or magnitude of the adverse results of the outbreak, however, management believes that the impact to the Company will be limited mainly to the curtailment of travel and access to mineral projects due to travel and social distancing restrictions as well as its ability to raise financing. There has been no material disruption to the Company’s current operations to date.

### **2. SIGNIFICANT ACCOUNTING POLICIES**

#### **Basis of presentation and statement of compliance**

These condensed interim consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), specifically International Accounting Standard (“IAS”) 34 – Interim Financial Reporting. In addition, these condensed interim consolidated financial statement have been prepared using interpretations issued by the IFRS Interpretations Committee (“IFRIC”) in effect at September 30, 2021 and the same accounting policies and methods of their application as the most recent annual financial statements of the Company. They have been prepared on a historical cost basis, except for certain financial instruments measured at fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. These condensed interim consolidated financial statements are presented in Canadian dollars unless otherwise noted.

The consolidated financial statements of the Company were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on December 6, 2021.

#### **Functional and presentation currency**

These condensed interim financial statements are presented in Canadian dollars (“CAD”), which is the Corporation’s functional currency.

## **LOVE PHARMA INC. (formerly GLENBRIAR TECHNOLOGIES INC.)**

### **NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

Expressed in Canadian Dollars

(Unaudited – Prepared by Management)

**For the nine months period ended September 30, 2021 and from incorporation on January 29, 2020 to September 30, 2020**

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## **2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

### **Basis of consolidation**

These condensed interim consolidated financial statements include the Company and the Company's wholly owned subsidiaries. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All significant intercompany transactions and balances have been eliminated.

The condensed interim consolidated financial statements include the financial information of the Company and its wholly owned subsidiaries Kick Pharmaceutical Inc. ("Kick"), 1288339 BC Ltd., 2127774 Alberta Ltd. ("212774 Alberta"), Nabilone Pharma Inc., Life Pharmaceuticals Company Inc. and LSB Life Sciences Biotech Inc.

### **Estimates, judgments and assumptions**

The preparation of these condensed interim consolidated financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the condensed interim consolidated financial statements and related notes. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates and these differences could be material.

#### **i) Carrying values for assets and impairment charges**

In the determination of carrying values and impairment charges, management looks at the higher of value in use or fair value less costs of disposal in the case of non-financial assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

#### **ii) Income taxes and recoverability of potential deferred tax assets**

In assessing the probability of realizing potential income tax assets, management makes judgments related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

#### **iii) Share-based payments**

Management determines measurement for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviours and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

#### **iv) Going-concern assumption**

The Company's ability to continue as a going concern is dependent on its ability in the future to achieve profitable operations and in the meantime, obtain the necessary financing to meet its obligations and repay its liabilities when they come due. Realization values may be substantially different from carrying values and these condensed interim consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

## **LOVE PHARMA INC. (formerly GLENBRIAR TECHNOLOGIES INC.)**

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Expressed in Canadian Dollars

(Unaudited – Prepared by Management)

**For the nine months period ended September 30, 2021 and from incorporation on January 29, 2020 to September 30, 2020**

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## **2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

### **Cash and cash equivalents**

Cash and cash equivalents are comprised of cash on deposit with banks and short-term deposits with initial maturities of three months or less. The Corporation did not have any cash equivalents as at September 30, 2021 or December 31, 2020.

### **Revenue recognition**

Revenue is recognized when persuasive evidence of an arrangement exists, the fee is fixed or determinable, and collectability is reasonably assured.

Revenue is recognized when the goods have been provided and control of the deliverable has been transferred to the customer. Revenue collected prior to it being earned is recorded as deferred revenue and recognized as the related services are provided. The Company's arrangements with customers are evidenced by contracts with customers and/or purchase orders.

### **Net income (loss) per common share**

The Corporation follows the treasury stock method to determine the dilutive effect of stock options or other potentially dilutive instruments. Under this method, basic net income (loss) per share is calculated using the weighted average number of common shares outstanding during the period. Diluted income per share is calculated on the basis of the weighted average number of common shares outstanding during the period plus the additional incremental common shares that would have been outstanding for any potentially dilutive stock options or other dilutive instruments using the treasury stock method. Diluted loss per share is equal to basic loss per share, as the effect of potentially dilutive stock options or other instruments would be anti-dilutive to the calculation.

### **Share capital**

When units are issued, which include shares and warrants, the warrants are valued using the residual value method where proceeds are allocated to the common shares up to their fair value as determined by the current quoted trading price on the announcement date, and the balance, if any, to contributed surplus.

#### **(i) Share issue costs**

Share issue costs that are directly attributable to issuing new shares are deducted from equity.

Costs that are not incremental and directly attributable to issuing new shares, are recorded as an expense in profit or loss.

#### **(ii) Equity instruments issued as consideration**

Other equity instruments issued in non-cash transactions as purchase consideration are recorded at fair value determined by management using the Black-Scholes option pricing model. The fair value of the shares issued as purchase consideration is based upon the quoted trading price of those shares on the date of grant to issue shares as determined by the Board of Directors.



## **LOVE PHARMA INC. (formerly GLENBRIAR TECHNOLOGIES INC.)**

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**For the nine months period ended September 30, 2021 and from incorporation on January 29, 2020 to September 30, 2020**

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## **2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

### **Provisions and contingencies**

A provision is recognized on the statement of financial position when the Corporation has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

### **Foreign currency translation**

Foreign currency transactions are translated into the functional currency using the rate of exchange in effect at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are recorded at rates of exchange in effect at the statement of financial position date and any resulting gains or losses are recorded in profit or loss for the period.

### **Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and liabilities are recognized when the Corporation becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Corporation has transferred substantially all risks and rewards of ownership. Financial assets and liabilities are offset and the net amount is reported in the 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.

#### **Financial assets**

The Corporation classifies its financial assets in the following measurement categories:

those to be measured subsequently at fair value (either through other comprehensive income (OCI) or through profit or loss); and those to be measured at amortized cost.

The classification depends on the Corporation's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses are either recorded in profit or loss or OCI.

At initial recognition, the Corporation measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial assets depends on their classification. There are three measurement categories under which the Corporation classifies its financial assets:

**Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included as finance income using the effective interest method. The effective interest method is the rate that discounts estimated future cash flows over the expected life of the financial instrument, or where appropriate, a shorter period. Cash and loan receivable are classified in this category.

## **LOVE PHARMA INC. (formerly GLENBRIAR TECHNOLOGIES INC.)**

### **NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

Expressed in Canadian Dollars

(Unaudited – Prepared by Management)

**For the nine months period ended September 30, 2021 and from incorporation on January 29, 2020 to September 30, 2020**

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#### **2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

Fair value through OCI (FVOCI): Debt instruments that are held for collection of contractual cash flows and for selling the debt instruments, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the debt instrument is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these debt instruments is included as finance income using the effective interest method. The Corporation has no assets classified in this category.

FVTPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss in the period in which it arises. Investments are classified in this category.

#### Financial liabilities

A financial liability is classified as at FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred.

The fair value changes to financial liabilities at FVTPL are presented as follows: where the Corporation optionally designates financial liabilities at FVTPL the amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and the remaining amount of the change in the fair value is presented in profit or loss. The Corporation does not designate any financial liabilities at FVTPL.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

At present, the Corporation classifies accounts payable and accrued liabilities as held at amortized cost. These financial liabilities are classified as current liabilities as the payment is due within 12 months.

#### **Accounting standards issued but not yet effective**

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any new standards and determined that there are no standards that are expected to have a material impact on the Company's consolidated financial statements.

#### **3. LOAN RECEIVABLE**

As at September 30, 2021, the Company had advanced a non-interest bearing loan of \$40,273 to Glenbriar Technologies Inc. with no fixed terms of repayment (Note 12). Upon closing the RTO (Note 5) the balance became \$Nil upon consolidation.

**LOVE PHARMA INC. (formerly GLENBRIAR TECHNOLOGIES INC.)**

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Expressed in Canadian Dollars

(Unaudited – Prepared by Management)

**For the nine months period ended September 30, 2021 and from incorporation on January 29, 2020 to September 30, 2020****4. INVESTMENTS AND LOAN RECEIVABLE**

On September 20, 2021, pursuant to the RTO (Note 5), the Company acquired:

- i) 18% of Eleos Robotics Inc. (“Eleos”), an arms length, a private company based in British Columbia, represented by 744,691 common non-voting shares of Eleos with a cost of \$655,000. As at September 30, 2021 and September 20, 2021, in accordance with the guidance in IFRS 9 regarding when cost may be the best estimate of fair value, the investment in Eleos was recorded at cost.
- ii) 1,483,967 shares of Love Hemp Group PLC (“LHG”) with a value at \$73,419. At September 30, 2021, the Company valued the shares at \$73,419.

**5. ACQUISITION OF KICK**

On September 20, 2021, the Company issued 183,067,857 common shares to the shareholders of Kick. As a result, the shareholders of Kick acquired control of Love Pharma, thereby constituting a reverse takeover of Love Pharma. The transaction is considered a purchase of Love Pharma’s net assets by the Kick shareholders. The transaction is accounted for in accordance with guidance provided in IFRS 2, Share-Based Payment as Love Pharma did not qualify as a business according to the definition in IFRS 3, Business Combinations.

The transaction is recognized as if Kick had issued common shares to the existing Company shareholders outstanding before the Transaction in exchange for the net assets acquired. The fair value of the 108,852,088 common shares of Love Pharma was determined to be \$0.06 per common share, based on the fair value as determined by reference to the Concurrent Financing. The fair value of the 35,779,333 warrants were valued at \$167,200 using the Black-Scholes option pricing model using a weighted average exercise price of \$0.145, a 100% volatility rate, a 0.22% risk free return, and a 0.61 year term.

The fair value of the net assets (liabilities) acquired from Love Pharma as at September 20, 2021 are:

<b>Consideration paid:</b>	
Fair value of 108,852,088 Love Pharma common shares	\$ 6,531,125
Fair value of 35,779,333 Love Pharma warrants	167,200
<b>Total consideration paid</b>	<b>\$ 6,698,325</b>
<b>Identifiable assets acquired:</b>	
Cash	\$ 24,255
Prepays	250,000
Investments	728,419
Trade and other payables	(44,220)
Loan payable	(290,273)
GST liability	(6,804)
<b>Net assets acquired</b>	<b>661,377</b>
<b>Unidentifiable assets acquired:</b>	
Share listing expense	6,036,948
<b>Total net identifiable assets and share listing costs</b>	<b>\$ 6,698,325</b>
Under RTO accounting, the net assets of Love Pharma are eliminated as follows:	
Share capital	\$ 6,588,955
Reserves	4,800
Deficit	(5,932,378)
	<b>\$ 661,377</b>

## LOVE PHARMA INC. (formerly GLENBRIAR TECHNOLOGIES INC.)

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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**For the nine months period ended September 30, 2021 and from incorporation on January 29, 2020 to September 30, 2020**

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#### 6. ACQUISITION OF 2127774 ALBERTA LTD.

During the period from incorporation from January 29, 2020 to December 31, 2020, the Company acquired 100% of the share capital in 2127774 Alberta by issuing 275,000,000 common shares. The Company valued the shares at cost as 2127774 Alberta was a related party under common control prior to the acquisition. As a result, the Company has included the operations of 2127774 Alberta from incorporation.

On the acquisition date, 2127774 Alberta had the following net assets:

Cash	\$	128
Intangible assets		200,436
Accounts payable		(7,444)
Loan payable		(205,810)
Net assets	\$	(12,690)

#### ACQUISITION OF 1288339 BC LTD.

On September 20, 2021, concurrent with closing of the RTO (Note 5), the Company issued 20,000,000 common shares at a value of \$1,200,000 to purchase 1288339 BC Ltd., an arms-length private company with a license agreement covering certain patent filings and intellectual property. At the acquisition date 1288339 BC Ltd. had net assets of \$1,200,000 consisting entirely of intangible assets relating to patent filings and intellectual property.

#### 7. INTANGIBLE ASSETS

During the period ended September 30, 2021, the Company:

- i) paid \$32,212 (US\$25,000) on behalf of 1288339 BC Ltd. in connection with a license agreement covering certain patent filings and intellectual property rights.
- ii) issued 3,000,000 common shares at a value of \$180,000 to an arms-length vendor relating to certain product license agreements.

During the period from incorporation on January 29, 2020 to December 31, 2020, the Company:

- i) entered into an exclusive 10-year distribution licence agreement on certain cannabinoid technologies for cash consideration of \$205,918 (US\$150,000) and granting the licensor a 3% royalty on gross sales if sublicensed. The Company must also issue the vendor 5,000,000 shares if the Company merges with a public company (Note 12).
- iii) purchased certain patents and patent applications, for an alternate delivery system for the FDA-approved drug Nabilone used for treating nausea in chemotherapy patients, for cash consideration of \$33,504 (US\$25,000). At September 30, 2021 the purchase price remains payable.

#### 8. LOANS PAYABLE

At September 30, 2021 and December 31, 2020, the Company had the following loans outstanding:

- i) Loan from a former director of the Company at September 30, 2021 in the amount of \$500 (December 31, 2020 - \$500) with no interest and no fixed terms of repayment.
- ii) Loans from various third parties totaling \$205,500. The loans are unsecured, bear interest at 5% per annum and are repayable on December 31, 2021. Total interest accrued for the period ended September 30, 2021 was \$7,402 (December 31, 2020 - \$7,402). Total principal and interest owing as at September 30, 2021 was \$212,902 (December 31, 2020 - \$212,902).

## **LOVE PHARMA INC. (formerly GLENBRIAR TECHNOLOGIES INC.)**

### **NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

Expressed in Canadian Dollars

(Unaudited – Prepared by Management)

**For the nine months period ended September 30, 2021 and from incorporation on January 29, 2020 to September 30, 2020**

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#### **9. CAPITAL STOCK**

##### **Authorized share capital**

Unlimited number of common shares without par value.

##### **Issued share capital**

During the period ended September 30, 2021, the Company issued:

- i) 108,852,088 common shares upon closing the RTO (Note 5).
- ii) 20,000,000 common shares at a value of \$1,200,000 to purchase 1288339 BC Ltd., an arms-length private company with a license agreement covering certain patent filings and intellectual property.
- iii) 3,000,000 common shares at a value of \$180,000 to an arms-length vendor relating to certain product license agreements.
- iv) 4,300,000 units for total proceeds of \$215,000. Each unit consisted of one common share and one common share purchase warrant. Each warrant is exercisable for one common share of the Company at \$0.05 per share for a period of 2 years, expiring on February 4, 2023. Warrants were valued at \$Nil using the residual value method. The Company paid \$3,125 in share issuance costs.
- v) 11,599,606 units for total proceeds of \$811,972. Each unit consisted of one common share and one common share purchase. Each warrant is exercisable for one common share of the Company at \$0.10 per share for a period of 2 years, expiring on March 22, 2023. Warrants were valued at \$Nil using the residual value method. The Company paid \$34,520 in share issuance costs and issued 986,280 broker warrants.
- vi) 10,568,250 units for total proceeds of \$739,778. Each unit consisted of one common share and one common share purchase warrant. Each warrant is exercisable for one common share of the Company at \$0.10 per share for a period of 2 years, expiring on March 24, 2023. Warrants were valued at \$Nil using the residual value method. The Company also paid \$55,006 in share issuance costs and issued 785,800 broker warrants.

During the period ended December 31, 2020, the Company issued:

- i) On January 29, 2020, one incorporation common share for \$1.
- ii) On November 5, 2020, 137,500,000 common shares to acquire 2127774 Alberta (Note 4).
- iii) On November 5, 2020, 9,000,000 common shares for total proceeds of \$90,000.
- iv) On December 21, 2020, the Company issued 10,100,000 units for total proceeds of \$505,000. The Company paid \$9,000 in share issuance costs. Each unit consisted of one common share and one common share purchase warrant. Each warrant is exercisable for one common share of the Company at \$0.05 per share for a period of 2 years, expiring on December 21, 2022. Warrants were valued at \$Nil using the residual value method.

**LOVE PHARMA INC. (formerly GLENBRIAR TECHNOLOGIES INC.)**

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Expressed in Canadian Dollars

(Unaudited – Prepared by Management)

**For the nine months period ended September 30, 2021 and from incorporation on January 29, 2020 to September 30, 2020****9. CAPITAL STOCK (cont'd...)****Warrants**

Warrant activity during the periods is summarized as follows:

	Nine month period ended September 30, 2021		Period from incorporation on January 29, 2020 to December 31, 2020	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
<b>Balance – Beginning of period</b>	10,100,000	\$ 0.025	-	\$ -
Issued	27,746,797	0.050	10,100,000	0.05
Acquired in RTO (Note 5)	35,779,333	0.050	-	-
<b>Balance – End of period</b>	73,626,130	\$ 0.040	10,100,000	\$ 0.05

The following table summarizes information about stock options outstanding and exercisable at September 30, 2021:

Exercise Price	Number Outstanding	Expiry Date
\$0.15	32,246,000	March 20, 2022
\$0.05	10,100,000	December 21, 2022
\$0.05	4,300,000	February 4, 2023
\$0.10	11,599,607	March 22, 2023
\$0.10	493,140	March 22, 2023
\$0.10	10,568,250	March 24, 2023
\$0.10	785,800	March 24, 2023
\$0.10	3,533,333	May 7, 2023
	73,626,130	

At September 30, 2021, the warrants had a weighted average remaining life of 1.00 year (2020 – 1.97).

During the period ended September 30, 2021, the Company granted 1,278,940 (Period from incorporation on January 29, 2020 to December 31, 2020 – Nil) broker warrants with a total fair value of \$58,900 (Period from incorporation on January 29, 2020 to December 31, 2020 - \$Nil) using the Black-Scholes option pricing model using the following weighted average inputs:

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**For the nine months period ended September 30, 2021 and from incorporation on January 29, 2020 to September 30, 2020****9. CAPITAL STOCK (cont'd...)**

	Nine months period ended September 30, 2021	Period from incorporation on January 29, 2020 to December 31, 2020
Exercise price	\$0.10	-
Market price	\$0.07	-
Risk free interest rate	0.28%	-
Expected dividend yield	0.00%	-
Expected stock price volatility	150%	-
Expected warrant life in years	2	-

**10 RELATED PARTY BALANCES AND TRANSACTIONS**

Transactions with related parties and key management personnel are as follows:

	Nature of transactions	Nine months period ended September 30, 2021	Period from incorporation on January 29, 2020 to September 30, 2020
Paid or accrued to the CEO and director	Consulting fees	\$ 56,700	\$ -
Paid or accrued to the COO	Consulting fees	\$ 78,372	\$ -

The amounts due to other related parties and key management personnel included in accounts payable and accrued liabilities are as follows:

	September 30, 2021	December 31, 2020
Due to the president and director	\$ -	\$ 6,900

The amounts due to related parties are unsecured, non-interest bearing and are due on demand.

**11. CAPITAL MANAGEMENT**

The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to externally imposed capital requirements. The Company's strategy for capital management did not change during the period ended September 30, 2021.

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**For the nine months period ended September 30, 2021 and from incorporation on January 29, 2020 to September 30, 2020****12. FINANCIAL INSTRUMENTS AND RISK***Fair values*

The Company's financial assets measured at fair value on a recurring basis were calculated as follows:

	Balance	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<i>As at September 30, 2021</i>				
Cash	\$ 949,034	\$ 949,034	-	-
<i>As at December 31, 2020</i>				
Cash	\$ 530,660	\$ 530,660	-	-

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

*Credit risk*

Credit risk is the risk of financial loss associated with the counterparty's inability to fulfill its payment obligations. The Company is satisfied with the credit ratings of its bank. As at September 30, 2021 the Company believes it has no significant credit risk.

*Liquidity risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2021 the Company had a cash balance of \$949,034 (December 31, 2020 - \$530,660) to settle accounts payable and accrued liabilities of \$341,249 (December 31, 2020 - \$135,853) and loans payable of \$213,402 (December 31, 2020 - \$213,402). The Company will require financing from lenders, shareholders and other investors to generate sufficient capital to meet its short-term business requirements. The Company's trade payables have contractual maturities of 30 days and are subject to normal trade terms, the loans payable are due within 12 months or on demand.

*Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, commodity and equity prices.



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**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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**For the nine months period ended September 30, 2021 and from incorporation on January 29, 2020 to September 30, 2020**

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**12. FINANCIAL INSTRUMENTS AND RISK (cont'd...)**

a) Interest rate risk

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. The Company has cash balances. As of September 30, 2021, the Company did not hold any investments. The Company believes it has no significant interest rate risk.

b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As at September 30, 2021, the Company was not exposed to any significant foreign currency risk.

c) Price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market. The Company is not exposed to material price risk at September 30, 2021.

**13. SEGMENTED INFORMATION**

The Company has one operating segment, being the licensee of certain technologies relating to Cannabinoids in Canada.