Love Pharma Inc.
Management's Discussion and Analysis
For the year ended December 31, 2022

DATE OF REPORT: MAY 1, 2023

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the audited consolidated financial statements of Love Pharma Inc. for the years ended December 31, 2022, and 2021, and related notes attached thereto (the "financial statements"), which are prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are expressed in Canadian dollars unless otherwise stated. References to notes are with reference to the financial statements.

This MD&A, may contain forward-looking statements, including statements regarding the business and anticipated future financial performance of the Company, which involve risks and uncertainties. These risks and uncertainties may cause the Company's actual results to differ materially from those contemplated by the forward-looking statements. Factors that might cause or contribute to such differences include, among others, share market price, continued availability of capital financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and those actual results or developments may differ materially from those projected in the forward-looking statements. Investors are also directed to consider other risks and uncertainties discussed in the Company's required consolidated financial statements and filings.

It is the Company's policy that all forward-looking statements, if any, are based on the Company's beliefs and assumptions which are based on information available at the time these assumptions are made. The forward-looking statements are subject to change, and the Company assumes no obligation to publicly update or revise the statements to reflect new events or circumstances, except as may be required pursuant to applicable laws. Although management believes that the expectations represented by such forward-looking information or statements are reasonable, there is significant risk that the forward-looking information or statements may not be achieved, and the underlying assumptions thereto will not prove to be accurate. Forward-looking information or statements contained in this MD&A, may include, but are not limited to, information or statements concerning management's expectations for the Company's ability to raise capital and meet its obligations.

Actual results or events could differ materially from the plans, intentions and expectations expressed or implied in any forward-looking information or statements, including the underlying assumptions thereto, because of numerous risks, uncertainties and other factors such as those described above and in "Risks and Uncertainties" below. The Company has no policy for updating forward-looking information beyond the procedures required under applicable securities laws.

DESCRIPTION OF BUSINESS

Love Pharma Inc. ("Love Pharma" or the "Company") was incorporated under the Alberta Business Corporations Act on July 15, 1994, and is a publicly traded company listed on the Canadian Securities Exchange ("CSE") (trading symbol; LUV). The Company is a licensee of certain technologies relating to certain controlled substances and pharmaceutical grade therapeutics. The Company's registered address is 20th Floor, 250 Howe Street, Vancouver, BC V6C 3R8. The Company's head office address and principal place of business is 1780 -355 Burrard Street, Vancouver BC, V6C 2G8. The Company is investigating business opportunities in other industries however has not reached a definitive decision to pursue alternative lines of business.

The Company's website is https://love-pharma.com/.

TECHNOLOGY HOLDINGS

The Company holds the rights to a number of technologies and continues to investigate strategies to commercialize or otherwise monetize these holdings notwithstanding possible changes to the overall business strategy and focus which may or may not occur. Love Pharma's Wellness Product Portfolio is currently comprised of wellness products and the underlying intellectual property, concentrating on sexual health, with or without the benefit of CBD, acquired pursuant

to various product licenses. In particular, the Company has rights to utilize the following products and the related intellectual property pursuant to the product licenses:

CBD oral strips (CannaStrips™): CannaStrip™ oral muco-adhesive strips enhance the bioavailability of hemp oil extracts and THC, increasing the impact and duration of the health benefits. CannaStrip™ delivers hemp oil extracts and THC faster, with longer beneficial effects in the body.

Arouse RX gel with CBD and/or THC (Arousel Gel): The Arousel Gel is a topical gel infused with CBD and/or THC that increases genital blood flow causing vaginal engorgement/lubrication and clitoral engorgement/sensitivity. This stimulation arouses the user, addressing female sexual dysfunction issues. The Arousel Gel can also be sold as a product without CBD and THC.

CBD/THC biphasic mints/candies (CannaMint): CannaMint is a patent-protected technology that uses orally dissolvable mints to deliver CBD or THC for a variety of conditions. These CannaMints increase the onset of actives when compared to edible consumption and do not have the negative impacts associated with smoking. They are discreet and sublingual with a minty flavor.

Female Sexual Dysfunction supplement (FSD Supplement): The FSD Supplement is a clinically proven female sexual desire supplement that utilizes known and approved ingredients to increase the active, free testosterone in women, which is directly aligned with sexual responsiveness and arousal in women.

ToConceive: ToConceive is an innovative, FDA-cleared, multi-patented vaginal moisturizer that improves the ability to conceive naturally. ToConceive is not a traditional lubricant; it is a gel, moisturizer, and a lubricant. When applied to the vulva and clitoris daily, ToConceive helps the body produce additional lubrication that helps sperm fertilize an egg.

Male Enhancement Gel With CBD (Male Enhancement Gel): The Male Enhancement Gel is a topical personal care penile gel containing proprietary levels of L-arginine and menthol increasing penis length, girth, and volume (overall size).

OPERATIONAL HIGHLIGHTS

Operational Highlights for the period from January 1, 2022, through the date of this MD&A:

On May 14, 2022, the Company announced that it had completed the acquisition of MicroDoz Therapy Inc. in exchange for 1,000,000 common shares as well as 1,000,000 shares to be issued upon the achievement of certain milestones.

On September 7, 2022, the Company announced that it made a strategic investment in Starton Therapeutics Inc., a New Jersey based clinical stage biotechnology company focused on transforming standard of care therapies in oncology. The Company invested $584,999 for 145,161 shares of Starton. The investment in Starton Therapeutics is primarily based upon “the Company’s interest in innovative drug delivery technology, such as transdermal patches that can reduce side effects, transforming patient outcomes with established, approved medicines allowing for streamlined market entry with long-term IP protections.”

On October 11, 2022, the Company announced it had entered a non-binding letter of intent to acquire Naltrexone Therapeutics Inc. Naltrexone Therapeutics, is a pharmaceutical company with significant Intellectual Property (IP) related to the transdermal delivery of the well-known FDA-approved drug “Naltrexone,” which could potentially expand Love Pharma’s reach into additional therapeutics and land the company at the leading edge of addressing an unmet medical need as well as a promising application for the treatment of post-COVID conditions or “long COVID” to Love Pharma’s portfolio, for which there is no guarantee. The LOI subsequently expired, and the acquisition did not proceed.

On October 19, 2022, the Company completed the acquisition of 100% of Doc Hygiene Pharmaceuticals Inc. through the issuance of a convertible promissory note in the amount of $195,000 and the payment of $224,875 in cash. Doc Hygiene holds proprietary Intellectual Property, website and e-commerce platform, and an established brand within the consumer packaged goods space.

On December 14, 2022, the Company sold 100% of its interest in MicroDoz Therapy Inc. in exchange for a $100,000 non-

interest bearing 1 year note receivable. The Company stated that it will redeploy capital towards other areas of growth and innovation.

SELECTED ANNUAL FINANCIAL INFORMATION AND RESULTS OF OPERATIONS

The following table sets out selected financial information with respect to the Company's audited consolidated financial statements for the years ended December 31, 2022, 2021, and 2020.

	December 31, 2022	December 31, 2021	December 31, 2020
	$	$	$
Total expenses	1,650,756	2,205,814	158,492
Loss and comprehensive loss	(3,578,736)	(9,521,155)	(158,492)
Basic and diluted loss per share	(0.09)	(0.44)	(0.06)

Balance Sheet Summary	December 31, 2022	December 31, 2021	December 31, 2020
	$	$	$
Current assets	211,808	626,302	530,734
Total assets	821,287	1,817,011	776,764
Current liabilities	431,582	606,113	349,255
Total liabilities	633,482	606,113	-
Working capital	(219,774)	20,189	181,479

During the year ended December 31, 2022, total expenses were $1,650,756 compared to $2,205,814 in the prior year. Advertising and promotion was $266,432 compared to $793,562 a decrease of $527,130 which was attributed to lower advertising activity in the current year. Consulting and management fees were $560,902 compared to $426,454, an increase of $134,448 which was attributed to higher rates paid to certain consultants as well as the engagement of additional consultants. Travel and entertainment was $117,466 compared to $27,000 in the prior year which was largely due to lower COVID restrictions.

Net and Comprehensive loss for the year was $3,578,736 compared to $9,521,155 in the prior year. In the prior year there was a listing fee of $6,048,225 which was a one-time item. During the year ended December 31, 2022, the Company recorded various impairment charges which in aggregate totalled $1,927,980 (2021 - $1,233,504).

Working capital decreased primarily due to cash used in operations ($1,504,315) net of cash provided by financing activities ($2,020,743) and cash used in investment activities ($809,001).

Summary of significant Balance Sheet items

The primary factors affecting the changes to the balance sheet items were as follows:

- Recorded a note receivable of $100,000 in relation to the disposition of MicroDoz.
- Investments decreased due to the impairment of Eleos Robotics and Love Hemp Group Plc which totalled $680,601 offset by the purchase of the investment in Starton Therapeutics of $584,999.
- Loans payable decreased to $89,370 (2021 - $223,677) due to the settlement of $140,500 in outstanding loans.
- The Company recorded a derivative liability of $146,000 which related to a convertible note issued in relation to the acquisition of Doc Hygiene. The convertible note matures in 5 years. The liability portion was determined to be $55,900. The principal value of the note is $195,000.

- Raised gross proceeds of $2,252,735 through the issuance of common shares.

LIQUIDITY AND CAPITAL RESOURCES

The Company's objective in managing its liquidity and capital structure is to generate sufficient cash to fund the Company's operations, acquisitions, organic growth, and contractual obligations. The Company monitors its liquidity primarily by focusing on working capital in evaluating its liquidity.

As at December 31, 2022, the Company had a working capital deficit of $315,993 (December 31, 2021 – Working capital of $20,189).

The table below highlights the Company's cash flows for the years ended December 31, 2022, and 2021.

	December 31, 2022	December 31, 2021
	$	$
Operating activities	(1,504,315)	(1,410,367)
Investing activities	(809,601)	(169,338)
Financing activities	2,020,743	1,383,826
Cash, beginning	334,781	530,660
Cash, end	41,608	334,781

Capital Management

The Company defines capital as equity. The Company manages its capital structure and makes adjustments in order to have the funds available to support its operating activities.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern and to pursue the development of its business. The Company manages its capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new equity instruments, new debt, or acquire and/or dispose of assets. As discussed in Note 1 to the consolidated financial statements, the Company's ability to continue as a going concern is uncertain and dependent upon the continued financial support of its shareholders, future profitable operations, and securing additional financing. Management reviews its capital management approach on an ongoing basis. There were no changes in the Company's approach to capital management during the year presented. The Company is not subject to externally imposed capital requirement.

Discussion of annual results – year ended December 31, 2022:

During the year-end December 31, 2022, the Company incurred a net loss of $3,578,736 (December 31, 2021 - $9,521,155) or $0.09 per share (December 31, 2021 - $0.44). The primary factors affecting the magnitude and variations of the Company's financial performance during the year ended December 31, 2022, were as follows:

i) Advertising and promotion of $266,432 (2021 - $793,562) decreased as fewer advertising activities were undertaken during the year compared to 2021.

ii) Consulting and management fees of $560,902 (2021 - $426,454) increased primarily due to the additional fees paid to consultants were hired for the general development of the business during the current year.

iii) Professional fees of $334,494 (2021 - $304,222) related to various audit and legal fees required in relation to the Company's business activities carried out during the year. In the prior year the legal fees were largely related to the public listing and RTO while the current year related to new acquisitions which were closed or contemplated but that did not close.

iv) Travel and entertainment of $117,466 (2021 - $27,000) increased due to additional travel taken by management during the current year due to reduced covid problems.

v) Stock-based compensation of $294,400 (2021 - $552,120) decreased due to timing and valuations of stock options issued during the period.

vi) Transfer agent and filling fees of $51,737 (2021 - $49,522) were relatively in line with the prior year.

vii) The Company recorded a loss on disposition of MicroDoz of $32,500 (2021 - $Nil) in relation to the consideration paid upon disposal as compared to the intangible asset value which was recorded on the Company's Balance sheet.

viii) The Company impaired deposits of $312,088 ($2021 - $Nil) which related to the impairment of certain inventory items which the Company was unable to determine if the value would be recovered in the normal course of operations as there was no sales activity.

ix) Recorded an impairment of the investment in Eleos Robotics Inc. of $655,000 (2021 - $Nil) as the Company was unable to determine if the investment would be recoverable.

x) Recorded an impairment of the investment in Love Hemp Group Plc of $25,601 (2021 - $Nil) as the Company was unable to determine if the investment would be recoverable.

xi) Recorded an impairment of the 1288339 BC Ltd. licence of $191,093 (2021 - $1,200,000) as the Company was unable to determine if the intangible would be recoverable.

xii) Recorded an impairment of the 212774 AB Ltd. licence of $319,015 (2021 - $33,504) as the Company was unable to determine if the intangible would be recoverable.

xiii) Recorded an impairment of the Doc Hygiene intangible assets of $425,906 (2021 - $Nil) as the Company was unable to determine if the intangible would be recoverable.

xiv) Listing expenses of $Nil (2021 - $6,048,225) was related to the shares issued upon completion of the RTO which occurred in 2021 and was therefore a one-time non-recurring item.

Discussion of fourth quarter results – three-month period ended December 31, 2022

During the fourth quarter ended December 31, 2022, the Company incurred a net loss of $2,160,503 (December 31, 2021 - $2,831,572) or $0.04 per share (December 31, 2021 - $0.13). The primary factors affecting the magnitude and variations of the Company's financial performance during the year ended December 31, 2022, were as follows:

i) Advertising and promotion of $91,992 (2021 - $776,781) decreased as fewer advertising activities were undertaken during the year compared to 2021.

ii) Consulting and management fees of $92,452 (2021 - $274,714) decreased as the Company began to wind down certain contracts due to financial constraints.

iii) Professional fees of $104,009 (2021 - $146,309) related to various audit and legal fees required in relation to the Company's business activities carried out during the year. In the prior year the legal fees were largely related to the public listing and RTO while the current year related to new acquisitions which were closed or contemplated but that did not close.

iv) Travel and entertainment of $61,255 (2021 - $27,000) increased due to additional travel taken by management during the current year due to reduced covid problems.

v) Stock-based compensation of negative $95,800 (2021 - $552,120) which was due to timing of recognition of the expense related to option grants.

vi) Transfer agent and filling fees of $11,492 (2021 - $29,583) were relatively in line with the prior year.

xv) The Company recorded a loss on disposition of MicroDoz of $32,500 (2021 - $Nil) in relation to the consideration paid upon disposal as compared to the intangible asset value which was recorded on the Company's Balance sheet.

vii) The Company Impaired deposits of $312,088 ($2021 - $Nil) which related to the impairment of certain inventory items which the Company was unable to determine if the value would be recovered in the normal course of operations as there was no sales activity.

viii) Recorded an impairment of the investment in Eleos Robotics Inc. of $655,000 (2021 - $Nil) as the Company was unable to determine if the investment would be recoverable.

ix) Recorded an impairment of the investment in Love Hemp Group Plc of $25,601 (2021 - $Nil) as the Company was unable to determine if the investment would be recoverable.

x) Recorded an impairment of the 1288339 BC Ltd. licence of $191,093 (2021 - $1,200,000) as the Company was unable to determine if the intangible would be recoverable.

xi) Recorded an impairment of the 212,774 AB Ltd. licence of $319,015 (2021 - $33,504) as the Company was unable to determine if the intangible would be recoverable.

xvi) Recorded an impairment of the Doc Hygiene intangible assets of $425,906 (2021 - $Nil) as the Company was unable to determine if the intangible would be recoverable.

xvii) Listing expenses of $Nil (2021 - $6.048.225) was related to the shares issued upon completion of the RTO which occurred in 2021 and was therefore a one-time non-recurring item.

Summary of Quarterly Results

The following table sets forth selected quarterly consolidated financial information for each of the last eight quarters with the figures for each quarter in Canadian dollars:

	December 31 2022 $	September 30 2022 $	June 30 2022 $	March 31 2022 $
Revenue	-	-	-	-
Total expenses	253,708	793,851	349,316	253,881
Loss and comprehensive loss	(2,160,503)	(815,036)	(349,316)	(253,881)
Basic and diluted loss per share	(0.04)	(0.02)	(0.01)	(0.01)
Weighted average shares outstanding	50,422,762	35,470,295	35,470,295	31,491,985

	December 31 2021 $	September 30 2021 $	June 30 2021 $	March 31 2021 $
Revenue	-	-	-	-
Total expenses	2,831,572	6,341,637	194,749	165,058
Net and comprehensive loss	(2,831,572)	(6,341,637)	(194,749)	(165,058)
Basic and diluted loss per share	(0.13)	(0.32)	(0.01)	(0.05)
Weighted average shares outstanding	21,425,452	19,739,961	18,069,162	3,224,194

Quarter ended December 31, 2022: The Company reported revenue of $Nil. Net loss of $2,160,503 was attributed to advertising and promotion of $91,922, consulting and management fees of $92,452, professional fees of $104,009, travel and entertainment of $61,255, and stock-based compensation recovery of $95,800. Additionally, the Company recorded various impairment charges totaling $1,939,665.

Quarter ended September 30, 2022: The Company reported revenue of $Nil. Net loss of $815,036 was attributed to advertising and promotion of $58,966, consulting and management fees of $221,251, professional fees of $65,127, travel and entertainment of $38,054, and stock-based compensation of $390,200.

Quarter ended June 30, 2022: The Company reported revenue of $Nil. Net loss of $349,316 was attributed to advertising and promotion of $36,739, consulting and management fees of $167,289, professional fees of $112,476, and travel and entertainment of $9,270.

Quarter ended March 31, 2022: The Company reported revenue of $Nil. Net loss of $253,881 was attributed to advertising and promotion of $78,735, consulting and management fees of $79,910, professional fees of $52,882.

Quarter ended December 31, 2021: The Company reported revenue of $Nil. Net loss of $2,831,572 was attributed to advertising and promotion of $776,781, consulting and management fees of $274,717, professional fees of $146,309, and travel and entertainment of $27,000. Additionally the Company recorded impairment charges of $1,233,504 with respect to certain intangible assets.

Quarter ended September 30, 2021: The Company reported revenue of $Nil. Net loss of $6,341,637 was attributed to consulting and management fees of $147,240, professional fees of $106,326, office and admin of $31,206, and listing fee of $6,048,225.

Quarter ended June 30, 2021: The Company reported revenue of $Nil. Net loss of $186,099 was attributed to consulting and management fees of $36,473, office and admin of $56,182, professional fees of $65,890, and travel and entertainment of $27,000.

Quarter ended March 31, 2021: The Company reported revenue of $Nil. Net loss of $165,058 was primarily consulting and management fees of $54,434, professional fees of $98,856.

OUTSTANDING SHARE DATA

Authorized Share Capital

The Company is authorized to issue an unlimited number of common shares without par value. Outstanding share data is as follows:

	December 31, 2022	Date of MD&A
Common shares	50,422,763	50,422,763
Warrants	21,656,507	18,881,827
Options	3,700,000	8,735,000

OFF BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS AND BALANCES

Details of outstanding balances with related parties including key management personnel are as follows:

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

	December 31, 2022	December 31, 2021
	$	$
Consulting fees - CEO and director	204,250	91,700
Consulting fees, directors	30,350	8,100
Consulting fees, COO	55,080	110,587
Total	289,680	210,387
Stock based compensation - Officers and directors	142,890	236,623
Total	142,890	236,623

The amounts for key management personnel are as follows:

	December 31, 2022	December 31, 2021
Accrued liabilities - Director and officer consulting	4,853	700
Advance to director	-	10,710
	4,853	11,410

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

SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Please refer to the notes in the audited consolidated financial statements for the years ended December 31, 2022 and 2021.

FINANCIAL INSTRUMENTS AND RISK

Fair value of financial instruments

The Company's financial instruments are comprised of cash, note receivable, investments, accounts payable and accrued liabilities, loans payable, convertible debenture, and derivative liability. The carrying values of the Company's cash, note receivable, accounts payable and accrued liabilities and loans payable approximate their respective fair values due to their short term to maturity.

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

- Level 1 reflects valuation based on quoted prices observed in active markets for identical assets or liabilities.

- Level 2 reflects valuation techniques based on inputs that are quoted prices of similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; inputs other than quoted prices used in a valuation model that are observable for that instrument; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

- Level 3 reflects valuation techniques with significant unobservable market inputs.

The Company's investment in Starton is classified as Level 3 and accounted for at cost as an appropriate estimate of fair value (Note 6). The Company's investment in Eleos was classified as Level 3 and accounted for at cost as an appropriate estimate of fair value (Note 6) and its investment in LHG is classified as Level 1. The Company's convertible debenture is classified as Level 2. The Company's derivative liability is FVTPL and classified as Level 2.

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

Credit risk

Credit risk is risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. As at December 31, 2022 the Company believes it has no significant credit risk associated with cash. The note receivable is unsecured and held by a United Kingdom based third party entity. The Company has considered credit risk associated with the note receivable and determined the risk of loss to be low. The Company is satisfied with the credit ratings of its bank. The Company's exposure to credit risk is the carrying value of the respective financial assets. The Company's management of credit risk has not changed materially from that of the year ended December 31, 2021.

Liquidity risk

Liquidity 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 December 31, 2022, the Company had a cash balance of $41,608 (2021 - $334,781) to settle accounts payable and accrued liabilities of $342,212 (2021 - $259,436) and loans payable of $89,370 (2021 - $223,677). 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 management of liquidity risk has not changed materially from that of the year ended December 31, 2021. The Company's accounts payables have contractual maturities of 30 days and are subject to normal trade terms, the loans payable are due on December 31, 2023 The Company's convertible debentures are unsecured and mature on October 12, 2027.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.. The Company's management of market risks has not changed materially from that of the year ended December 31, 2021.

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 believes it has no significant interest rate risk as cash balances are held in accounts which earn nominal interest and note receivable, loans payable, and convertible debenture have fixed rates of interest.

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 December 31, 2022, 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 (other than interest rates and foreign currency rates), 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 December 31, 2022.

ACQUISITION AND DISPOSITION OF MICRODOZ THERAPY INC.

During the year ended December 31, 2022, the Company acquired 100% of the share capital in MicroDoz Therapy Inc. ("MicroDoz") by issuing 1,000,000 shares. The Company agreed to issue an additional 1,000,000 shares subject to the fulfillment of certain milestones over a two-year period. In the event that the milestones are not met the Company will have no obligation to issue any further shares. MicroDoz is in the business of researching psilocybin-based therapies and the acquisition aligned with the Company's mandate to develop therapies in emerging fields.

For accounting purposes, the acquisition of MicroDoz was considered an asset acquisition and accounted for using the acquisition method. The results of operations from MicroDoz are included in the consolidated financial statements from the acquisition date.

The following table summarizes the consideration paid and the fair value of the identifiable assets acquired, and liabilities assumed as of the date of acquisition:

Consideration	**$**
1,000,000 common shares with a fair value of $0.10 per share	100,000
Cash	32,500
	132,500
Net assets of Microdoz Therapy Inc.	
Intangible asset - research study	132,500
Total	132,500

During the year ended December 31, 2021, the Company loaned $32,500 (US$25,000) to MicroDoz by way of a promissory note that bore 10% interest per annum and was due on demand. Upon the completion of the acquisition of MicroDoz the loan became an intercompany balance and eliminated upon consolidation.

On December 13, 2022, the Company entered an agreement to divest 100% of MicroDoz in consideration for a one-year non-interest bearing unsecured promissory note in the amount of $100,000. In accordance with the divesture the Company recorded a loss on disposition of $32,500.

ACQUISITION OF DOC HYGIENE PHARMACEUTCALS INC.

During the year ended December 31, 2022, the Company acquired Doc Hygiene Pharmaceuticals Inc. ("Doc Hygiene") in exchange for the issuance of a $195,000 convertible debenture and cash of $224,875. Doc Hygiene is in the business of consumer sanitation products and the acquisition aligned with the Company's strategy to offer innovative consumer products direct to consumer.

For accounting purposes, the acquisition of Doc Hygiene was considered a business combination and accounted for using the acquisition method. The results of operations from Doc Hygiene are included in the consolidated financial statements from the acquisition date.

The following table summarizes the consideration paid and the fair value of the identifiable assets acquired, and liabilities assumed as of the date of acquisition:

Consideration	**$**
Issuance of convertible note	195,000
Cash	224,875
	419,875
Net assets of Doc Hygiene Pharmaceuticals Inc.	
Cash	273
Accounts payable	(6,304)
Intangible assets - brand, trademark, website	425,906
Total	419,875

ACQUISITION OF KICK

On September 22, 2021, the Company issued 10,855,200 common shares to the shareholders of Kick. As a result, the shareholders of Kick acquired control of Love Pharma, thereby constituting a reverse takeover ("RTO") 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 10,885,200 common shares of Love Pharma was determined to be $0.60 per common share, as determined by reference to the concurrent financing (Note 10). The fair value of the 3,577,933 warrants were valued at $167,200 using the Black-Scholes option pricing model using a weighted average exercise price of $1.45, a 100% volatility rate, a 0.44% risk free return, and a 0.60-year term.

The resulting consolidated statement of financial position is presented as a continuance of Kick and comparative figures presented in the consolidated financial statements prior to the reverse takeover are those of Kick.

IFRS 2 applies to transactions where an entity grants equity instruments and cannot identify specifically some or all the goods or services received in return. Because Kick issued shares with a fair value in excess of the assets received, the difference is recognized in profit or loss as a share listing expense. The amount assigned to the share listing expense of $6,048,225 is the difference between the fair value of the consideration and the net identifiable assets of Love Pharma acquired by Kick. The fair value of the net assets acquired from Love Pharma as at September 21, 2021 were.

The fair value of the net assets (liabilities) acquired from Love Pharma as at September 22, 2021 are:

Consideration paid:		
Fair value of 10,885,200 Love Pharma common shares	$	6,531,125
Fair value of 3,577,933 Love Pharma warrants		167,200
Total consideration paid	$	6,698,325
Identifiable assets acquired:		
Cash	$	24,255
Prepaids		250,000
Investments		717,142
Trade and other payables		(44,220)
Loan payable		(290,273)
GST liability		(6,804)
Net assets acquired		650,100
Unidentifiable assets acquired:		
Share listing expense		6,048,225
Total net identifiable assets and share listing costs	$	6,698,325

RISKS AND UNCERTAINTIES

An investment in the securities of the Issuer is subject to a number of risks, including those described below, that could have a material adverse effect upon, among other things, the operating results, earnings, business prospects and condition (financial or otherwise) of the Issuer. A prospective purchaser of such securities should carefully consider the risk factors set out below before making a decision to purchase securities of the Issuer. The risks described herein are not the only risk factors facing the Issuer and should not be considered exhaustive. Additional risks and uncertainties not currently known to the Issuer, or that the Issuer currently considers immaterial, may also materially and adversely affect the business, operations and condition (financial or otherwise) of the Issuer.

Risks Related to the Business of the Issuer

Risks relating to key personnel

If the Issuer fails to attract and retain key management and sales personnel, it may be unable to successfully develop or commercialize its product candidates. The Issuer will need to expand and effectively manage its managerial, operational, financial, development and other resources in order to grow organically. The Issuer's success depends on its continued ability to attract, retain and motivate highly qualified management, sales personnel, including its key management personnel. The loss of the services of any of its senior management could impact its sales. At this time, the Issuer does not have "key man" insurance policies on the lives of any of its employees or consultants. In addition, the Issuer's advisors may have arrangements with other companies to assist those companies in developing products or technologies that may potentially may compete with the Issuer's products or technologies. All of its advisors and consultants sign agreements with the Issuer, which includes provisions for: confidentiality; non-disclosure; intellectual property rights; and non-competes covering its intellectual property and other proprietary information.

The Issuer will need to hire additional personnel as it continues to expand its development activities. The Issuer may not be able to attract or retain qualified management and sales personnel in the future due to the intense competition for qualified personnel among the health and wellness business. If it is not able to attract and retain the necessary personnel to accomplish its business objectives, it may experience constraints that will impede significantly the achievement of its development objectives, its ability to raise additional capital and its ability to implement its business strategy. In particular, if the Issuer loses any members of its senior management team, it may not be able to find suitable replacements in a timely fashion or at all and its business may be harmed as a result.

Risks relating to early stage development

If the Issuer is unable to develop its sales and marketing and distribution capability on its own or through collaborations with marketing partners, it will not be successful in commercializing its product candidates. The Issuer currently does not have a marketing staff or a sales or distribution organization. The Issuer currently does not have marketing, sales or distribution capabilities. If the Issuer's product candidates are approved, it may establish a sales and marketing organization with technical expertise and supporting distribution capabilities to commercialize its product candidates, which will be expensive and time consuming. Any failure or delay in the development of internal sales, marketing and distribution capabilities would adversely impact the commercialization of these product candidates. The Issuer may choose to collaborate with third parties that have direct sales forces and established distribution systems, either to augment its own sales force and distribution systems or in lieu of its own sales force and distribution systems. To the extent that the Issuer enters into co-promotion or other licensing arrangements, its product revenue is likely to be lower than if it directly marketed or sold its products, when and if it has any. In addition, any revenue it receives will depend in whole or in part upon the efforts of such third parties, which may not be successful and will generally not be within its control. If the Issuer is unable to enter into such arrangements on acceptable terms or at all, it may not be able to successfully commercialize its existing and future product candidates. If it is not successful in commercializing its existing and future product candidates, either on its own or through collaborations with one or more third parties, its future product revenue will suffer and it may incur significant additional losses.

Risk Relating to various Regulatory Systems

Some of the planned activities of the Issuer, particularly in respect to its CBD and psilocybin infused products are subject to regulation by governmental authorities. Achievement of the Issuer's business objectives are contingent, in part, upon compliance with regulatory requirements enacted by these governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. The Issuer cannot predict the time required to secure or maintain all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by governmental authorities. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the business, results of operations and financial condition of the Issuer.

The Issuer operates in a new industry which is highly regulated, highly competitive and evolving rapidly. As such, new risks may emerge, and management may not be able to predict all such risks or be able to predict how such risks may result in actual results differing from the results contained in any forward-looking statements.

The Issuer incurs ongoing costs and obligations related to regulatory compliance. Failure to comply with regulations may result in additional costs for corrective measures, penalties or in restrictions of operations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Issuer. Further, the Issuer may be subject to a variety of claims and lawsuits. Adverse outcomes in some or all of these claims may result in significant monetary damages or injunctive relief that could adversely affect its ability to conduct business. The litigation and other claims are subject to inherent uncertainties and management's view of these matters may change in the future.

The industry in which the Issuer operates is subject to extensive controls and regulations, which may significantly affect the financial condition of market participants. The marketability of any product may be affected by numerous factors that are beyond the control of the Issuer and which cannot be predicted, such as changes to government regulations, including those relating to taxes and other government levies which may be imposed. Changes in government levies, including taxes, could reduce the Issuer's earnings and could make future capital investments or the Issuer's operations uneconomic. The industry is also subject to numerous legal challenges, which may significantly affect the financial condition of market participants and which cannot be reliably predicted.

Change in Laws, Regulations and Guidelines

The Issuer's operations are subject to a variety of laws, regulations and guidelines relating to the manufacture, management, transportation, storage and disposal of its products but also including laws and regulations relating to

health and safety, the conduct of operations and the protection of the environment. To its knowledge, the Issuer is currently in compliance with such laws in all material respects. Changes to such laws, regulations and guidelines due to matters beyond the control of the Issuer may cause adverse effects to the Issuer's operations.

While the impact of the changes are uncertain and are highly dependent on which specific laws, regulations or guidelines are changed and on the outcome of any such court actions, it is not expected that any such changes would have an effect on the Issuer's operations that is materially different than the effect on similar-sized companies in the same business as the Issuer.

Local, state and federal laws and regulations governing CBD and psilocybin for medicinal and recreational purposes are broad in scope and are subject to evolving interpretations, which could require the Issuer to incur substantial costs associated with bringing the Issuer's operations into compliance. In addition, violations of these laws, or allegations of such violations, could disrupt the Issuer's operations and result in a material adverse effect on its financial performance. It is beyond the Issuer's scope to predict the nature of any future change to the existing laws, regulations, policies, interpretations or applications, nor can the Issuer determine what effect such changes, when and if promulgated, could have on the Issuer's business.

Product Liability, Operational Risk

As a manufacturer and distributor of products designed to be ingested by humans, the Issuer faces an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the manufacture and sale of CBD-infused or other products based on the Issuer's recipes and brands involve the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of the Issuer's products alone or in combination with other medications or substances could occur. The Issuer may be subject to various product liability claims, including, among others, that the Issuer's products caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against the Issuer could result in increased costs, could adversely affect the Issuer's reputation with its clients and consumers generally, and could have a material adverse effect on the Issuer's results of operations and financial condition of the Issuer. There can be no assurances that the Issuer will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of the Issuer's products.

Product Recall Risks

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. If any of the products developed by the Issuer and sold by it or by licensed producers are recalled due to an alleged product defect or for any other reason, the Issuer could be required to incur the unexpected expense relating to the recall and any legal proceedings that might arise in connection with the recall. The Issuer may lose a significant amount of revenue due to a loss of and may not be able to replace that revenue at an acceptable margin or at all. In addition, a product recall may require significant management attention. There can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. Additionally, if one of the Issuer's significant brands were subject to recall, the image of that brand and the Issuer could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for the Issuer's products and could have a material adverse effect on the results of operations and financial condition of the Issuer. Additionally, product recalls may lead to increased scrutiny of the Issuer's operations by the regulatory agencies, requiring further management attention and potential legal fees and other expenses.

The Issuer's operations can also be substantially affected by adverse publicity resulting from quality, illness, injury, health concerns, public opinion, or operating issues. The Issuer will attempt to manage these factors, but the occurrence of any one or more of these factors could materially and adversely affect the Issuer's business, financial condition and results of operations.

Uninsurable Risks

It is not always possible to fully insure against all risks, and the Issuer may decide not to take out insurance against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Issuer. The Issuer does not currently have any insurance policies covering its properties or the operation of its business and any liabilities that may arise as a result any of the above-noted risks may cause a material adverse effect on the financial condition of the Issuer.

The Issuer May Not Be Able to Accurately Predict its Future Capital Needs and it May Not Be Able to Secure Additional Financing

The Issuer may need to raise significant additional funds in order to support its growth, develop new or enhanced services and products, respond to competitive pressures, acquire or invest in complementary or competitive businesses or technologies, or take advantage of unanticipated opportunities. If its financial resources are insufficient, it will require additional financing in order to meet its plans for expansion. The Issuer cannot be sure that this additional financing, if needed, will be available on acceptable terms, or at all. Furthermore, any debt financing, if available, may involve restrictive covenants, which may limit its operating flexibility with respect to business matters. If additional funds are raised through the issuance of equity securities, the percentage ownership of existing shareholders will be reduced, such shareholders may experience additional dilution in net book value, and such equity securities may have rights, preferences or privileges senior to those of its existing shareholders. If adequate funds are not available on acceptable terms or at all, the Issuer may be unable to develop or enhance its services and products, take advantage of future opportunities, repay debt obligations as they become due, or respond to competitive pressures, any of which could have a material adverse effect on its business, prospects, financial condition, and results of operations.

Reliance on Management

The success of the Issuer is currently dependent on the performance of its Chief Executive Officer, President, and Board of Directors. The loss of the services of these persons would have a material adverse effect on the Issuer's business and prospects in the short term. There is no assurance the Issuer can maintain the services of its officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Issuer and its prospects.

Competitive Risks

The CBD industry is highly competitive. The Issuer will compete with numerous other businesses in the medical and adult use industry, many of which possess greater financial and marketing resources and other resources than the Issuer. The CBD business is often affected by changes in consumer tastes and discretionary spending patterns, national and regional economic conditions, demographic trends, consumer confidence in the economy, traffic patterns, local competitive factors, cost and availability of raw material and labor, and governmental regulations. Any change in these factors could materially and adversely affect the Issuer's operations.

Due to the early stage of the industry in which the Issuer operates, the Issuer expects to face additional competition from new entrants. If the number of legal users of CBD in its target jurisdictions increases, the demand for products will increase and the Issuer expects that competition will become more intense, as current and future competitors begin to offer an increasing number of diversified products. To remain competitive, the Issuer will require a continued high level of investment in research and development, marketing, sales and client support. The Issuer may not have sufficient resources to maintain research and development, marketing, sales and client support efforts on a competitive basis which could materially and adversely affect the business, financial condition and results of operations of the Issuer.

Difficulties in Forecasting

The Issuer must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the CBD industry in the in the UK and Europe**.** A failure in the demand for its products to materialize as a result of competition, technological change, market acceptance or other factors could have a material adverse effect on the business, results of operations and financial condition of the Issuer.

Management of Growth

The Issuer may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Issuer to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Issuer to deal with this growth may have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

Currency Fluctuations

Exchange rate fluctuations may adversely affect the Issuer's financial position and results. It is anticipated that substantially all of the Issuer's business will be conducted in outside of Canada in foreign currencies. The Issuer's financial results are reported in Canadian dollars and costs will be incurred primarily in U.S. dollars in its production costs, and planned sales will be in the pound Sterling and the Euro. The depreciation of the Canadian dollar against the U.S. dollar could increase the actual capital and operating costs of the Issuer's U.S. suppliers and materially adversely affect the results presented in the Issuer's financial statements. Currency exchange fluctuations may also materially adversely affect the Issuer's future cash flow from operations, its results of operations, financial condition and prospects.

Enforcement of Legal Rights

In the event of a dispute arising from the Issuer's foreign operations, the Issuer may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of courts in Canada. Similarly, to the extent that the Issuer's assets are located outside of Canada, investors may have difficulty collecting from the Issuer any judgments obtained in the Canadian courts and predicated on the civil liability provisions of securities provisions. The Issuer may also be hindered or prevented from enforcing its rights with respect to a governmental entity or instrumentality because of the doctrine of sovereign immunity.

Global Financial and Economic Conditions

Current global financial and economic conditions remain extremely volatile. Access to public and private capital and financing continues to be negatively impacted by many factors as a result of the global financial crisis and global recession. Such factors may impact the Issuer's ability to obtain debt and equity financing in the future on favorable terms or obtain any financing at all. Additionally, global economic conditions may cause a long-term decrease in asset values. If such global volatility, market turmoil and the global recession continue, the Issuer's operations and financial condition could be adversely impacted.

Conflicts of Interest

Certain officers and directors of the Issuer are also officers and/or directors of other entities engaged in the wellness industry generally. As a result, situations may arise where the interest of such directors and officers conflict with their interests as directors and officers of other companies. The resolution of such conflicts is governed by applicable corporate laws, which require that directors act honestly, in good faith and with a view to the best interests of the Issuer. Conflicts, if any, will be handled in a manner consistent with the procedures and remedies set forth in the BCBCA. The BCBCA provides that in the event that a director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided by the BCBCA.

In addition, the directors and officers are required to act honestly and in good faith with a view to the Issuer's best interests. However, in conflict of interest situations, the Issuer's directors and officers may owe the same duty to another company and will need to balance their competing interests with their duties to the Issuer. Circumstances (including with respect to future corporate opportunities) may arise that may be resolved in a manner that is unfavourable to the Issuer.

Success of Quality Control Systems

The quality and safety of the Issuer's products are critical to the success of its business and operations. As such, it is

imperative that the Issuer's (and its service provider's) quality control systems operate effectively and successfully. Quality control systems can be negatively impacted by the design of the quality control systems, the quality training program, and adherence by employees to quality control guidelines. Although the Issuer strives to ensure that all of its service providers have implemented and adhere to high caliber quality control systems, any significant failure or deterioration of such quality control systems could have a material adverse effect on the Issuer's business and operating results.

Inability to Protect Intellectual Property

The Issuer's success is heavily dependent upon its intangible property and technology. The Issuer relies upon copyrights, patents, trade secrets, unpatented proprietary know-how and continuing innovation to protect the intangible property, technology and information that is considered important to the development of the business. The Issuer relies on various methods to protect its proprietary rights, including confidentiality agreements with consultants, service providers and management that contain terms and conditions prohibiting unauthorized use and disclosure of confidential information. However, despite efforts to protect intangible property rights, unauthorized parties may attempt to copy or replicate intangible property, technology or processes. There can be no assurances that the steps taken by the Issuer to protect its intangible property, technology and information will be adequate to prevent misappropriation or independent third-party development of the Issuer's intangible property, technology or processes. It is likely that other companies can duplicate a production process similar to the Issuer's. To the extent that any of the above would occur, revenue could be negatively affected, and in the future, the Issuer may have to litigate to enforce its intangible property rights, which could result in substantial costs and divert management's attention and other resources.

The Issuer's ability to successfully implement its business plan depends in part on its ability to maintain and build brand recognition using its trademarks, service marks, trade dress, domain names and other intellectual property rights, including the Issuer's names and logos. If the Issuer's efforts to protect its intellectual property are inadequate, or if any third party misappropriates or infringes on its intellectual property, the value of its brands may be harmed, which could have a material adverse effect on the Issuer's business and might prevent its brands from achieving or maintaining market acceptance.

The Issuer may be unable to obtain registrations for its intellectual property rights for various reasons, including prior registrations of which it is not aware, or it may encounter claims from prior users of similar intellectual property in areas where it operates or intends to conduct operations. This could harm its image, brand or competitive position and cause the Issuer to incur significant penalties and costs.

Risks Relating to Investment in the Issuer

Volatility of Stock Markets

Securities markets experience a high level of price and volume volatility, and the market price of securities of many companies has experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Factors unrelated to the financial performance or prospects of the Issuer include macroeconomic developments in North America and globally, and market perceptions of the attractiveness of particular industries.

These fluctuations may affect the ability of holders of the Issuer's securities to sell their securities at an advantageous price. The market price of such securities may decline even if the Issuer's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Issuer's operations could be adversely impacted and the trading price of the Common Shares or other securities of the Issuer may be materially adversely affected.

As a result of any of these factors, the market price of the securities of the Issuer at any given point in time may not accurately reflect the long-term value of the Issuer.

Risk Factors Related to Dilution

The Issuer may issue additional securities in the future, which may dilute a shareholder's holdings in the Issuer. The Issuer's constating documents permit the issuance of an unlimited number of Common Shares. The Issuer's shareholders do not have pre-emptive rights in connection with any future issuances of securities by the Issuer. The directors of the Issuer have discretion to determine the price and the terms of further issuances. Moreover, additional Common Shares will be issued by the Issuer on the exercise of options under its stock option plan and upon the exercise of outstanding convertible securities.

Additional Financing

The continued development of the Issuer will require additional financing. There is no guarantee that the Issuer will be able to achieve its business objectives. The Issuer intends to fund its future business activities by way of additional offerings of equity and/or debt financing as well as through anticipated positive cash flow from operations in the future. The failure to raise or procure such additional funds or the failure to achieve positive cash flow could result in the delay or indefinite postponement of current business objectives. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, will be on terms acceptable to the Issuer. If additional funds are raised by offering equity securities, existing shareholders could suffer significant dilution. Any debt financing secured in the future could involve the granting of security against assets of the Issuer and also contain restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Issuer to obtain additional capital and to pursue business opportunities, including potential acquisitions. The Issuer will require additional financing to fund its operations until positive cash flow is achieved.

Dividends

The Issuer does not anticipate paying any dividends on the Common Shares in the foreseeable future. Dividends paid by the Issuer would be subject to tax and, potentially, withholdings.

Any decision to declare and pay dividends in the future will be made at the discretion of the Issuer's board of directors and will depend on, among other things, financial results, cash requirements, contractual restrictions and other factors that the Issuer's board of directors may deem relevant.

Forward-Looking Information May Prove Inaccurate

Readers are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. See "Forward-Looking Information".