

Britannia Life Sciences Inc. Reports Third Quarter Financial Results and Provides Update on Operations

Toronto, Ontario--(Newsfile Corp. - March 1, 2022) - Britannia Life Sciences Inc. (CSE: BLAB) ("**Britannia**" or the "**Company**") is pleased to provide its unaudited financial results for the three and nine months ended December 31, 2021. These filings and additional information regarding Britannia are available for review on SEDAR at www.sedar.com. All amounts are Canadian dollars unless otherwise stated.

Q3 2022 Highlights:

- The Company reports Adjusted EBITDA of \$2.9m for the nine-month period ended December 31, 2021.
- On November 12, 2021, Britannia completed its transaction with Rise Life Science Corp ("RISE"). RISE has changed its name to Britannia Life Sciences Inc. and continues as the reporting issuer (BLAB: CSE).
- The transaction with RISE has been accounted for as a reverse takeover ("RTO") by Britannia, such that these condensed interim consolidated financial statements reflect the accounts of Britannia acquiring RISE. As a result, the comparative information for prior periods provided in the financial statements represents the results of Britannia Bud Holdings Co. ("BBCH"), a wholly owned subsidiary of Britannia, and is therefore not directly comparable to current periods.
- In the nine-month period ended December 31, 2021, Britannia made principal and interest payments of \$3.4m on the note representing amounts due to the vendors (the "**Sellers' Loan**") of Advanced Development & Safety Laboratory Limited ("**ADSL**"), Britannia's largest operating subsidiary.

"Britannia is pleased to present its first set of financial results as a public company, after the successful completion of the reverse takeover transaction with RISE. We are grateful for the ongoing support from our shareholders as well as the vendors and our advisors, as we finalize our debt refinancing."

On behalf of the Board

Sarah Zilik, CFO

Operational Update:

As of March 1st, 2022, the Company has made a number of productive operational developments:

- On January 17th 2022, Britannia entered into a supply agreement to import CBD Isolate and Distillate for the UK market. The company has begun to negotiate supply agreements with licensed producers of other cannabinoid products, including CBG, CBC, and THC.
- On February 22nd, 2022 Britannia launched its first CBD consumer trial with the objective of establishing the efficacy of using CBD as an active ingredient in products stimulating hair growth.
- Britannia is actively seeking acquisitions to expand its operational footprint and also evaluating opportunities to expand its range of services.

- The Company continues to expand its industry coverage, recently executing service contracts with material customers in the household goods and household accessories industries.

"Britannia is pleased with the continued momentum of its growth initiatives. We look forward to expanding our services and geographic presence throughout 2022, to deliver meaningful shareholder value."

On behalf of the Board

Peter Shippen, CEO

Subsequent Events:

- Subsequent to the end of the quarter, Britannia executed a term sheet for a £5,000,000 loan facility with an external lender (the "**Loan Facility**"). The proceeds of the Loan Facility will be used to repay the remaining Sellers' Loan in full and to fund the acquisition of an additional 10% of ADSL's share capital. The Company expects to close the Loan Facility before its year-end of March 31, 2022.

About Britannia Life Sciences Inc.

Britannia Life Sciences Inc. is a global platform offering an integrated suite of services to assist companies along their product development journey. Britannia's services, including product formulations, safety assessments, analytical and microbiological testing, global compliance and consumer evaluations are offered to companies ranging from multinationals to startups particularly in the cosmetics, food and wellness industries. Britannia has garnered significant expertise in the development and regulatory approval of topical and edible cannabis products, including preparation and support for novel food authorizations.

Britannia's head office is located at 120 Adelaide Street West, Suite 2400, Toronto, Ontario, M5H 1T1.

For further information contact:

Britannia Life Sciences Inc.

Email: investors@britannia.life

Condensed Interim Consolidated Statements of Financial Position

(Unaudited)

As at	December 31, 2021	March 31, 2021
	\$	\$
Assets		
Current assets:		
Cash	1,533,778	828,321
Accounts receivable	1,723,018	1,686,152
Prepaid expenses	90,830	-
Total current assets	3,347,626	2,514,473
Non-current assets:		
Property and equipment	612,722	702,684
Goodwill and intangible assets	17,479,369	18,234,344
Total non-current assets	18,092,091	18,937,028

Total assets	21,439,717	21,451,501
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	3,415,040	2,031,506
Interest payable	-	163,076
Current portion of lease liability	49,663	42,906
Director's loan	-	225,000
Sellers' loan	4,978,182	7,726,776
Total current liabilities	8,442,885	10,189,264
Non-current liabilities:		
Lease liability	151,394	188,173
Convertible notes	-	2,363,154
Embedded derivative	-	2,982,172
Warrant liability	645,705	543,124
Put option liability	1,677,592	2,435,100
Other debt	126,284	-
Deferred income taxes	76,677	87,904
Total non-current liabilities	2,679,652	8,599,627
Total liabilities	11,122,537	18,788,891
Shareholders' equity:		
Share capital	16,492,175	441,204
Contributed surplus	157,101	157,101
Non-controlling interest	3,975,388	2,864,935
Warrant reserve	1,272,445	-
Options reserve	149,622	-
Accumulated other comprehensive loss	(846,586)	(61,579)
Deficit	(10,882,965)	(739,051)
Total shareholders' equity	10,317,180	2,662,610
Total liabilities and shareholders' equity	21,439,717	21,451,501

Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

(Unaudited)

Periods ended December 31,	Three months		Nine months	
	2021	2020	2021	2020
	\$	\$	\$	\$
Product sales and other income	1,658,611	-	5,553,178	-
Cost of sales	434,221	-	1,297,410	-
Gross Margin	1,224,390	-	4,255,768	-
Expenses				
Selling, general and administration	453,548	84,821	1,905,864	245,034
Finance	279,326	-	1,047,908	-

Share-based compensation	149,622		149,622	
	882,496	84,821	3,103,394	245,034
Income (loss) from operations	341,894	(84,821)	1,152,374	(245,034)
Other income (expense)				
Change in fair value of embedded derivative	236,201	-	598,722	-
Foreign currency translation gain (loss)	39,263	-	167,152	-
Change in fair value of put option liability	211,895	-	757,507	-
Change in fair value of warrant liability	(78,953)	-	55,842	-
Accretion expense	(237,422)	-	(1,077,164)	-
Listing fees	(9,933,566)	-	(9,933,566)	-
	(9,762,582)	-	(9,431,507)	-
Loss before income taxes	(9,420,688)	(84,821)	(8,279,133)	(245,034)
Provision for (recovery of) income taxes				
Current income taxes	232,152	-	728,315	-
Deferred income taxes	(3,807)	-	(9,227)	-
Total income taxes	228,345	-	719,088	-
Net loss	(9,649,033)	(84,821)	(8,998,221)	(245,034)
Other comprehensive income (loss)				
Currency translation differences	34,319	11,848	(820,247)	25
Comprehensive loss for the period	(9,614,714)	(72,973)	(9,818,468)	(245,009)
Net income (loss) for the period attributable to:				
Non-controlling interest	317,898	-	1,145,693	-
Equity shareholders of the Company	(9,966,931)	(84,821)	(10,143,914)	(245,034)
Total	(9,649,033)	(84,821)	(8,998,221)	(244,855)

Condensed Interim Consolidated Statements of Cash Flows

(Unaudited)

	For the nine months ended December 31, 2021	For the nine months ended December 31, 2020
	\$	\$
OPERATING ACTIVITIES		
Net Income (loss)	(8,998,221)	(245,034)
Adjustments for items not involving cash		
Depreciation and amortization	143,581	-
Non-cash listing fees	10,078,561	-
Share-based compensation	149,622	-
Interest on lease liability	26,767	-
Foreign currency translation gain	(415,650)	(25)

Change in fair value of embedded derivative	(598,722)	-
Change in fair value of put liability	(757,507)	-
Change in fair of warrant liability	(55,842)	-
Accretion expense	1,077,164	-
Deferred income tax	(9,227)	-
Allocation to non-controlling interest	1,110,453	-
	1,750,979	(245,059)
Changes in non-cash working capital items		
Accounts receivable	52,181	393
Prepaid expenses	(84,020)	-
Accounts payable and accrued liabilities	788,420	(107,789)
Total changes in non-cash working capital items	756,581	(107,396)
NET CASH FLOWS FROM OPERATING ACTIVITIES	2,507,560	(352,455)
INVESTING ACTIVITIES		
Cash acquired on reverse takeover	741,032	-
Purchase of equipment	(73,162)	-
NET CASH FLOWS FROM INVESTING ACTIVITIES	667,870	-
FINANCING ACTIVITIES		
Proceeds on issuance of convertible debt	1,628,855	-
Director's loan	-	225,000
Share issuance costs	-	(777)
Principal and interest payment on Sellers' loan	(3,439,102)	-
Costs incurred related to reverse takeover	(596,037)	-
Lease payments	(57,217)	-
NET CASH FLOWS FROM FINANCING ACTIVITIES	(2,463,501)	224,223
Effect of exchange rate changes on cash and cash equivalents	(6,472)	-
Increase (decrease) in cash and cash equivalents	705,457	(128,232)
Cash and cash equivalents at beginning of period	828,321	140,894
Cash and cash equivalents at end of period	1,533,778	12,662

Adjusted EBITDA (Non-IFRS Financial Measurement)

Adjusted EBITDA represents net loss or income adjusted to exclude amortization, depreciation, interest expense and finance costs, foreign exchange gains and losses, income tax expense, listing expense and other charges. Other expenses consist primarily of other income and expenses related to the accounting treatment for the Britannia convertible debenture financing and adjustments in the fair value of certain liabilities.

Adjusted EBITDA is not a recognized, defined or standardized measure under IFRS. The Company's definition of Adjusted EBITDA will likely differ from that used by other companies and therefore comparability may be limited. Adjusted EBITDA should not be considered a substitute for or in isolation from measures prepared in accordance with IFRS. Investors are encouraged to review the Company's financial statements and disclosures in their entirety and are cautioned not to put undue reliance on non-IFRS measures and view them in conjunction with the most comparable IFRS financial measures. The

Company has reconciled Adjusted EBITDA to the most comparable IFRS financial measure as follows:

	For the three months ended December 31,		For the nine months ended December 31,	
	2021	2020	2021	2020
	\$	\$	\$	\$
Loss before income taxes	(9,420,688)	84,821	(8,279,133)	(245,034)
Finance expense	279,326	-	1,047,908	-
Share based compensation expense	149,622	-	149,622	-
Depreciation and amortization	53,106	-	143,581	-
Foreign exchange loss (gain)	(39,263)	-	(167,152)	-
Listing expense	9,933,566	-	9,933,566	-
Other expenses	(131,721)	-	115,433	-
Adjusted EBITDA	823,948	(84,821)	2,943,825	(245,034)

Forward Looking Information

This press release may contain certain "forward-looking information" and "forward-looking statements" (collectively, "forward-looking statements") within the meaning of applicable Canadian securities legislation regarding Britannia and its business. Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected" "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could, "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Except as required by law, Britannia assumes no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change. The reader is cautioned not to place undue reliance on forward-looking statements.

For a detailed description of the risks and uncertainties facing the Company and its business and affairs, readers should refer to the Company's filings statement available on SEDAR under the Company's profile at www.sedar.com.



To view the source version of this press release, please visit

<https://www.newsfilecorp.com/release/115296>