AMENDED NEW WAVE HOLDINGS CORP..

BUSINESS ACQUISITION REPORT

FORM 51-102F4

Item 1.Identity of Company

1.1 Name and Address of Company

New Wave Holdings Corp. (the "**Company**")
401, 217 Queen Street West
Toronto, ON M5V 0R2

1.2 Executive Officer

The following executive officer of the Company is knowledgeable about the significant acquisition and this business acquisition report:

Daniel Fox, Chief Executive Officer
Telephone: 416 917-5847

Item 2. Details of Acquisition

2.1 Nature of Business Acquired

The Company has completed the acquisition (the "**Acquisition**") of all of the issued and outstanding shares of Way of Will Inc. ("**WoW**") pursuant to the terms of a share exchange agreement dated December 18, 2020 among the Company, WoW and the shareholders of WoW (the "**Definitive Agreement**").

2.2 Date of Acquisition

The Company completed the Acquisition on December 23, 2020.

2.3 Consideration

Pursuant to the terms of the Definitive Agreement and as consideration of the Acquisition, the Company issued an aggregate of 28,190,725 common shares of the Company (the "**Consideration Shares**") to the shareholders of WoW at a deemed price of $0.1718 per Consideration Share.

2.4 Effect on Financial Position

The Company does not have any current plans or proposals for material changes in its business affairs or the affairs of any of its subsidiaries, including WoW, which may have a significant effect on the results of operations and financial position of the Company.

2.5 Prior Valuations

Not Applicable

2.6 Parties to the Transaction

The Acquisition was not with an informed person, associate or affiliate of the Company as defined in Section 1.1 of National Instrument 51 – 102 *Continuous Disclosure Obligations*.

2.7 Date of Report

July 29, 2021

Item 3. Financial Statements

The following financial statements are attached to this Business Acquisition Report:

- audited financial statements of WoW for the year ended April 30, 2020.
- Interim financial statements of WoW for the period ended October 31, 2020.

The Company has obtained the consent of the auditor of WoW to incorporate the auditor’s report for the audited financial statements of WoW for the year ended April 30, 2020 in this Business Acquisition Report.

FINANCIAL STATEMENTS OF WAY OF WILL INC.

Way of Will Inc.

Annual Financial Statements

For the years ended April 30, 2020 and 2019

(Expressed in Canadian Dollars)

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDER OF WAY OF WILL INC.

Opinions

We have audited the financial statements of Way of Will Inc. (the "Company"), which comprise:

- the statement of financial position as at April 30, 2020;
- the statement of operations and comprehensive loss for the year then ended;
- the statement of changes in shareholder's deficiency for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Unmodified Opinion on the Financial Position

In our opinion, the accompanying statement of financial position presents fairly, in all material respects, the financial position of the Company as at April 30, 2020 in accordance with International Financial Reporting Standards ("IFRS").

Qualified Opinion on the Financial Performance and Cash Flows

In our opinion, except for the possible effects on comparative information of the matter described in the *Basis for Opinions, Including Basis for Qualified Opinion on the Financial Performance and Cash Flows* section of our report, the accompanying statements of operations and comprehensive loss, changes in shareholder's deficiency and cash flows present fairly, in all material respects, the financial performance and cash flows of the Company for the year ended April 30, 2020 in accordance with IFRS.

Basis for Opinions, Including Basis for Qualified Opinion on the Financial Performance and Cash Flows

We were not able to observe the counting of the physical inventories on May 1, 2019 or satisfy ourselves concerning those inventory quantities by alternative means.

Since opening inventories affect the determination of the financial performance and cash flows, we were unable to determine whether adjustments to the financial performance and cash flows might be necessary for the year ended April 30, 2020. Our audit opinion on the financial statements for the year ended April 30, 2020 was modified accordingly because of the possible effects of this limitation in scope. As a result, our opinion on the current year's financial performance and cash flows is modified because of the possible effects of this matter on the comparability of the current period's figures and the comparative information.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unmodified opinion on the financial position and our qualified opinion on the financial performance and cash flows.

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Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss of $549,560 for the year ended April 30, 2020, and as at that date, the Company had a working capital deficiency of $672,715. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of Matter – Comparative Information

We draw attention to Note 2b in the financial statements which describes that the Company adopted IFRS on May 1, 2019 with a transition date of May 1, 2018. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statements of financial position as at April 30, 2019 and May 1, 2018, and the statements of operations and comprehensive loss, changes in shareholder's deficiency and cash flows for the year ended April 30, 2019, and related disclosures. Our opinion is not modified in respect of this matter.

We were not engaged to report on the comparative information, and as such, it is unaudited.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia
March 23, 2021

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Way of Will Inc.
Statements of Financial Position
(Expressed in Canadian Dollars)

As at	Note	**April 30, 2020**	April 30, 2019 (Unaudited)	May 1, 2018 (Unaudited)
ASSETS		**$**	$	$
Current assets				
Cash		**200,433**	82,210	137,818
Trade and other receivables	5	**53,599**	67,060	35,356
Inventories	6	**453,814**	422,814	186,390
Advances, prepaids and deposit		**16,982**	183,215	44,224
		724,828	755,299	403,788
Equipment	7	**76,460**	76,282	-
Right-of-use asset	12	**513,084**	-	-
Website and sales platform	8	**96,190**	600	600
TOTAL ASSETS		**1,410,562**	832,181	404,388
LIABILITIES				
Current liabilities				
Trade and other payables		**298,565**	288,506	23,692
Advances from related party	11	**597,870**	552,441	447,224
Loan payable	10	**440,662**	-	-
Current portion of lease liabilities	12	**20,446**	-	-
		1,357,543	840,947	470,916
Lease liabilities		**571,345**	-	-
CEBA loan	9	**40,000**		
Total liabilities		**1,968,888**	840,947	470,916
SHAREHOLDER'S DEFICIENCY				
Share capital	13	**100**	100	100
Accumulated deficit		**(558,426)**	(8,866)	(66,628)
		(558,326)	(8,766)	(66,528)
TOTAL LIABILITIES AND SHAREHOLDER'S DEFICIENCY		**1,410,562**	832,181	404,388

Way of Will Inc.
Statements of Operations and Comprehensive Loss
For the years ended April 30, 2020 and 2019
(Expressed in Canadian Dollars)

	Note	**For the Year Ended April 30, 2020**	For the Year Ended April 30, 2019 (Unaudited)
		$	$
Revenue		**1,990,880**	2,528,211
Cost of goods sold		**1,232,980**	1,573,044
Gross profit		**757,900**	955,167
Selling and distribution expenses			
Bad debts		**14,474**	-
Freight and delivery		**145,620**	168,696
Product development		**1,177**	32,188
Product promotion		**432,575**	312,022
		593,846	512,906
Administrative expenses			
Depreciation		**123,786**	9,195
Bank charges and interest		**35,188**	12,292
Interest on lease liabilities	12	**59,830**	-
Professional fees		**28,023**	1,146
Management and consulting fees		**20,371**	40,276
Office, rent and salaries		**463,787**	650,194
Travel		**23,967**	4,285
		754,952	717,388
Loss before other items		**(590,898)**	(275,127)
Other items			
Foreign exchange gain		**12,978**	332,889
Government grant		**28,360**	-
NET (LOSS) INCOME AND COMPREHENSIVE (LOSS) INCOME FOR THE YEAR		**(549,560)**	57,762

Way of Will Inc.
Statements of Cash Flows
For the years ended April 30, 2020 and 2019
(Expressed in Canadian Dollars)

	For the Year Ended April 30, 2020	For the Year Ended April 30, 2019 (Unaudited)
	$	$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Net (loss) income for the year	**(549,560)**	57,762
Non-cash items:		
Depreciation	**123,786**	9,195
Interest on lease liabilities	**59,830**	-
Bad debt expense	**14,474**	-
Changes in non-cash working capital items:		
Trade and other receivables	**(1,013)**	(31,704)
Advances, prepaids and deposit	**166,233**	(147,811)
Inventories	**(31,000)**	(236,424)
Trade and other payables	**10,059**	273,634
	(207,191)	(75,348)
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of equipment	**(9,373)**	(85,477)
Purchases of website and sales platform	**(119,637)**	-
	(129,010)	(85,477)
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances from related parties	**45,429**	105,217
Lease payments	**(71,667)**	-
Loan proceeds	**440,662**	-
CEBA loan	**40,000**	-
	454,424	105,217
Net increase (decrease) in cash	**118,223**	(55,608)
Cash, beginning of the year	**82,210**	137,818
Cash, end of the year	**200,433**	82,210
Supplemental information:		
Right-of-use assets and lease liabilities recognized	**603,628**	-
Income taxes paid	**-**	-
Interest paid	**35,188**	13,194

The accompanying notes are integral to these financial statements.

Way of Will Inc.
Statements of Changes in Shareholder's Deficiency
For the years ended April 30, 2020 and 2019
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Accumulated Deficit	Total Shareholder's Deficiency
	#	$	$	$
Balance, May 1, 2018 (Unaudited)	100	100	(66,628)	(66,528)
Net income for the year (Unaudited)	-	-	57,762	57,762
Balance, April 30, 2019 (Unaudited)	100	100	(8,866)	(8,766)
Net loss for the year	-	-	(549,560)	(549,560)
Balance, April 30, 2020	**100**	**100**	**(558,426)**	**(558,326)**

The accompanying notes are integral to these financial statements.

1. Nature of Operations and Going Concern

Way of Will Inc. ("Way of Will" or the "Company") was incorporated under the laws of the province of Ontario on January 20, 2016.

The Company is a 100% Canadian-owned-and-operated developer and manufacturer of essential oil body care blends with an emphasis on natural ingredients and aromatherapy. The Company has a multi-channel sales approach.

The head office, principal address, and registered and records office is located at 110 Mack Ave, Unit 1-A, Scarborough, Ontario, M1L 1M9 Canada.

The Company's financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. For the year ended April 30, 2020, the Company had a net loss of $549,560 (2019 –net income of $57,762) and working capital deficiency of $672,715 (2019 –$85,648). The Company remains reliant on external sources of financing to fund operations and meet the Company's obligations.

Management cannot provide assurance that the Company will ultimately achieve profitable operations or positive cash flow. The Company's continuation as a going concern is dependent on its ability to attain profitable operations and raise additional capital. These matters indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported revenues and expenses and statement of financial position classifications that would be necessary if the going concern assumption was inappropriate. Such adjustments could be material.

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. COVID 19 has impacted the retail channels that the Company historically sells through. During the year ended April 30, 2020, the Company's revenues decreased by 20%. The duration and impact of the COVID-19 outbreak is unknown at this time. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

2. Basis of Presentation and First Time Adoption of IFRS

a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

The financial statements were authorized for issue by the Board of Directors on the date noted on the statements of financial position.

2. Basis of Presentation and First Time Adoption of IFRS (continued)

b) First-time adoption of IFRS

The Company has not previously issued IFRS financial statements and, accordingly, these financial statements are considered the Company's first IFRS financial statements and are subject to IFRS 1, First-time Adoption of International Financial Reporting Standards.

IFRS 1 generally requires accounting policies to be applied retrospectively to determine the opening statement of financial position on the transition date of May 1, 2018, and allows certain exemptions on the transition of IFRS. The transition from previous GAAP to IFRS had no effect on the Company's statement of financial position, statement of operations and comprehensive loss, statement of changes in shareholder's deficiency and statement of cash flows.

c) Basis of measurement

The preparation of financial statements in compliance with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. See Note 4 for use of estimates and judgments made by management in the application of IFRS.

The financial statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit or loss and fair value through other comprehensive income. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The financial statements are presented in Canadian dollars which is its functional currency.

3. Significant Accounting Policies

The significant accounting policies set out below have been applied consistently in all material respects to all years presented in these financial statements, unless otherwise indicated.

Inventories

Inventory consist primarily of raw materials, including packaging materials, and finished goods. Inventory is measured at lower of cost, determined on a weighted average basis, and net realizable value. Costs of raw materials include the purchased cost and the costs of finished goods include costs of materials and packing. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. If the Company determines that the estimated net realizable value of its inventory is less than the carrying value of such inventory, it records a charge to cost of goods sold.

Equipment

Equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Depreciation is provided at rates calculated to write-off the cost of equipment, less their estimated residual value, using the declining-balance or straight-line method at the following annual rates:

Computer equipment	Straight-line 5 years
Machinery and equipment	Straight-line 5 years

Equipment are derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated depreciation and any accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

3. Significant Accounting Policies (continued)

Intangible assets (continued)

Intangible assets with finite lives are depreciated over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The depreciation period and method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the depreciation period or method, as appropriate, and are treated as changes in accounting estimates. The depreciation expense on intangible assets with finite lives is recognized in the statement of operations and comprehensive loss.

Intangible assets with indefinite useful lives are not depreciated, but are tested for impairment annually, either individually or at cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

The Company’s intangible assets, which consist of a sales platform and website development, are classified as finite lives and are depreciated straight line over 5 years.

Financial Instruments

Financial assets and liabilities are recognized when the Company 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 Company has transferred substantially all risks and rewards of ownership. Financial assets and liabilities are offset and the net amount 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, or realize the asset and settle the liability simultaneously.

Classification

At initial recognition, the Company classifies its financial assets in the following categories depending on the business model in which they are held and the characteristics of their contractual cash flows: fair value through profit or loss (“FVTPL”), fair value through other comprehensive income (“FVOCI”) and amortized cost. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest are measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any change taken through profit or loss or other comprehensive income.

Measurement

Subsequent measurement and changes in fair value will depend on their initial classification. Financial instruments at FVTPL are measured at fair value and changes in fair value are recognized in profit or loss. Financial instruments at FVOCI are measured at fair value with changes in fair value recorded in other comprehensive income. The remaining financial instruments are measured at amortized cost using the effective interest rate method less any impairment.

3. Significant Accounting Policies (continued)

Financial Instruments (continued)

The Company's financial assets are comprised of cash and trade receivables which are measured at amortized cost.

The Company's liabilities include trade payables, advances from related party, loans payable, and lease liabilities which are measured at amortized cost. After initial recognition, an entity cannot reclassify any financial liability.

Impairment

The Company assesses on a forward-looking basis the expected credit loss associated with financial assets measured at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

For financial assets that are measured at amortized cost, an entity will now always recognize (at a minimum) 12 month expected losses in profit or loss, calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Lifetime expected losses will be recognized on assets for which there is a significant increase in credit risk after initial recognition.

Losses are recognized in profit or loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Impairment of non-financial assets

The carrying amount of the Company's assets is reviewed for an indication of impairment at the end of each reporting period. If an indication of impairment exists, the Company makes an estimate of the asset's recoverable amount. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. The recoverable amount of an asset group is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money.

Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in profit or loss.

3. Significant Accounting Policies (continued)

Impairment of non-financial assets (continued)

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

Income Taxes

Income tax comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case the income tax is also recognized directly in equity or other comprehensive income.

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

Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, except for taxable temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the date of the statement of financial position and are expected to apply when the deferred tax asset or liability is settled.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting year the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

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

3. Significant Accounting Policies (continued)

Revenue recognition

The Company follows IFRS 15, Revenue from Contracts with Customers ("IFRS 15"), to recognize its revenue. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, the Company's accounting policy for revenue recognition is as follows: i) identify the contract with the customer, ii) identify the performance obligation(s) in the contract; iii) determine the transaction price; iv) allocate the transaction price to the performance obligation(s) and v) recognize revenue when performance obligation(s) are satisfied.

The Company generates revenue from the sale of its products to wholesalers and retailers. Most of the Company's revenues have a single performance obligation as the promise to transfer the individual goods. The Company recognizes revenue from the sale of products upon shipment and when all significant contractual obligations have been satisfied and collection is reasonably assured. These criteria are generally met at the time the product leaves the Company's premises and at that point, title has passed to the customer. Revenue is measured based on the price specified in the Company's invoice provided to the customer. The Company does not have any multiple-element revenue arrangements. Revenue is presented net of discount.

Cost of Goods Sold

Cost of goods sold includes the expenses incurred to acquire and produce inventory for sale, including product costs, packaging costs and labour costs. In addition, cost of goods sold consists of provisions for reserves related to obsolete inventory, or lower of cost and net realizable value adjustments as required.

Government Grants

Government grant funds are recognized in income when there is reasonable assurance that the Company has complied with the conditions attached to them and that the grant funds will be received.

Right-of-use ("ROU") asset

A lease is a contract that transfers substantially all the risks and rewards incidental to ownership of an identified asset. The Company initially recognizes a lease at its commencement date which is when an identified asset is made available for use. Right-of-use assets are measured at the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date and any initial direct or estimated restoration costs. A right-of-use asset is then depreciated on a straight-line basis over the shorter of the asset's useful life or the lease term.

Lease liabilities

Lease liabilities include the present value of future fixed payments, less any lease incentives receivable, and the exercise price of a purchase option if it is reasonably certain to be exercised. Future fixed lease payments are discounted using the Company's incremental borrowing rate if the rate implicit in the lease is not readily determinable. The term of each lease includes its non-cancellable period. The term can also include periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option. After the commencement date, the Company continually measures its lease liabilities to reflect changes in lease payments, discount rates or the leases' remaining term with an offsetting adjustment to right-of-use assets.

3. Significant Accounting Policies (continued)

<u>Lease liabilities (continued)</u>

Each lease payment is comprised of both a financing and principal component. Financing costs are charged to the consolidated statements of operations and comprehensive loss over each lease's term. Lease payments are applied against lease liabilities using the effective interest method.

Short-term leases with an initial lease term of less than twelve months are evaluated by class of the underlying asset whereas lease payments for low-value assets are evaluated on a lease-by-lease basis. Short-term and low-value leases can be accounted for as either leases or expensed.

<u>Future Accounting Pronouncements</u>

The following new standards and amendments are not yet effective and have not been applied in preparing these financial statements. The Company does not expect the adoption of this standard to have a significant impact on the financial statements.

IAS 1 - Presentation of Financial Statements ("IAS 1") and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8") were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2020.

4. Use of Estimates and Judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Critical accounting estimates

Critical estimates which are most subject to uncertainty and have the most significant risk of resulting in a material adjustment to the carrying values of assets and liabilities within the next twelve months are as follows:

<u>Recoverability of receivables</u>

Provisions are made against accounts that, in the estimation of management, may be uncollectible. The recoverability assessment of trade and other receivables is based on a range of factors, including the age of the receivable and the creditworthiness of the customer. The provision is assessed monthly with a detailed formal review of balances and security being conducted annually. Determining the recoverability of an account involves estimation and judgment as to the likely financial condition of the customer and their ability to subsequently make payments. To the extent that future events impact the financial condition of the customers these provisions could vary significantly.

(Expressed in Canadian Dollars)

4. Use of Estimates and Judgments (continued)

Valuation of inventory

Management makes estimates of future customer demand for products when establishing appropriate provisions for inventory obsolescence. In making these estimates, management considers the shelf-life of inventory and profitability of recent sales.

Useful lives of equipment and intangibles

Depreciation of the Company's equipment and intangible assets incorporate estimates of useful lives and residual values. These estimates may change as market conditions change and the future economic benefits from the use of the asset changes, thereby impacting the useful life and residual value of the equipment or intangible asset. Any revisions to useful life are accounted for prospectively.

Interest rates
The Company estimates a market interest rate in determining the fair value of its long-term liabilities and right-of-use assets. The determination of the market interest rate is subjective and could materially affect the fair value estimate.

Critical accounting judgments

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

Recovery of deferred tax assets

The Company estimates the expected manner and timing of the realization or settlement of the carrying value of its tax assets and liabilities and applies tax rates that are enacted or substantively enacted on the estimated dates of realization or settlement.

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay its ongoing operating expenditures and meet its liabilities for the ensuing year involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

5. Trade and Other Receivables

	2020	2019	2018
Accounts receivable	$ **53,599**	$ 67,060	$35,356

During the year ended April 30, 2020, the Company recorded bad debt expense of $14,474 (2019 - $Nil, 2018 - $Nil) relating to accounts receivable

(Expressed in Canadian Dollars)

6. Inventories

	2020	2019	2018
Raw materials	**$ 107,239**	$ 22,000	$ 86,000
Packaging	**279,366**	-	-
Finished goods	**67,209**	400,814	100,390
	$ 453,814	$ 422,814	$ 186,390

7. Equipment

	Computer Equipment	Machinery and Equipment	Total
Cost			
Balance, May 1, 2018	$ -	$ -	$ -
Additions	1,027	84,450	85,477
Balance April 30, 2019	1,027	84,450	85,477
Additions	4,373	5,000	9,373
Balance April 30, 2020	**$5,400**	**$89,450**	**$94,850**

	Computer Equipment	Machinery and Equipment	Total
Accumulated depreciation			
Balance, May 1, 2018	$ -	$ -	$ -
Depreciation	246	8,949	9,195
Balance April 30, 2019	246	8,949	9,195
Depreciation	246	8,949	9,195
Balance April 30, 2020	**$ 492**	**$17,898**	**$18,390**

Net book value			
Balance, May 1, 2018	$ -	$ -	$ -
Balance April 30, 2019	781	75,501	76,282
Balance April 30, 2020	**4,908**	**71,552**	**76,460**

(Expressed in Canadian Dollars)

8. Website and Sales Platform

	Website	Sales Platform	Total
Cost			
Balance, May 1, 2018	$ -	$ 600	$ 600
Additions	-	-	-
Balance April 30, 2019	-	600	600
Additions	24,537	95,100	119,637
Balance April 30, 2020	**$24,537**	**$95,700**	**$120,237**

	Website	Sales Platform	Total
Accumulated depreciation			
Balance, May 1, 2018	$ -	$ -	$ -
Depreciation	-	-	-
Balance April 30, 2019	-	-	-
Depreciation	5,027	19,020	24,047
Balance April 30, 2020	**$5,027**	**$19,020**	$**24,047**

Net book value			
Balance, May 1, 2018	$ -	$ 600	$ 600
Balance April 30, 2019	-	600	600
Balance April 30, 2020	**19,510**	**76,680**	**96,190**

9. CEBA Loan

During the year ended April 30, 2020, the Company borrowed $40,000 from the Canada Emergency Business Account ("CEBA") program. The CEBA Loan has an initial term that expires on December 31, 2022, throughout which, the CEBA Loan remains interest free. Repayment of $30,000 by December 31, 2022, results in a $10,000 loan forgiveness. If the balance is not paid prior to December 31, 2022, the remaining balance will be converted to a 3-year term loan at 5% annual interest, paid monthly effective January 1, 2023. The full balance must be repaid by no later than December 31, 2025.

10. Loan Payable

During the year ended April 30, 2020, the Company received a $440,662 loan from an arm's-length party. The loan is non-interest bearing, is unsecured, and has no fixed terms of repayment.

(Expressed in Canadian Dollars)

11. Advances from Related Party

As at April 30, 2020, the Company is indebted to an officer and significant shareholder of the Company in the amount of $597,870 (2019 - $552,441, May 1, 2018 - $447,244). The advances are non-interest bearing, are unsecured, and have no fixed terms of repayment.

12. Right-of-Use Asset

The Company has a lease agreement which qualifies for reporting under IFRS 16. During the 2020 year, the Company recognized $603,628 for a right-of-use ("ROU") asset and $603,628 for a lease liability.

The continuity of the ROU asset and lease liability for the year ended April 30, 2020 is as follows:

Right-of-Use Office lease	**2020**
	$
Balance, opening	
Right-of-use asset recognized on May 1, 2019	603,628
Depreciation	(90,544)
Balance, ending	**513,084**

Lease liabilities	
	$
Balance,	**-**
Lease liability addition May 1, 2019	603,628
Lease payments	(71,667)
Lease interest	59,830
Balance, ending April 30, 2020	**591,791**
Current portion	78,945
Long term	512,846
Balance, ending	**591,791**

13. Share Capital

Authorized:

Unlimited Class A Common Shares, without par value, with voting rights – 100 issued and outstanding; and Unlimited Class B Preferred Shares, without par value, without voting rights, with a non-cumulative dividend – none issue.

Issued

No shares were issued during the years ended April 30, 2020 and 2019.

14. Management of Capital

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern to pursue the development of its business and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes advances from related parties and loans.

The Company manages the capital structure and makes adjustments to 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 shares or issue new debt.

The Company is dependent on financing from its main source of operating capital and the Company's capital resources are largely determined by the strength of the technology and telecommunications markets and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support.

The Company is not subject to any external capital requirements. There is no change to the Company's approach to capital management during the years ended April 30, 2020 and 2019.

15. Financial Instruments

A fair value hierarchy prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying amounts of cash, trade receivables, trade payables, loans payable and advances from related party approximate their fair values due to their short term nature.

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

a) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company reduces its credit risk on cash by placing these instruments with institutions of high credit worthiness. The Company provides credit to its clients in the normal course of operations. It carries out, on a continuing basis, credit checks on its clients and maintains provisions for contingent losses. The Company's maximum exposure to credit risk is the carrying amounts of cash and trade receivables on the statement of financial position.

Trade accounts receivable are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of the counterparty to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 365 days past due.

(Expressed in Canadian Dollars)

15. Financial Instruments (continued)

b) Liquidity Risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they become due. As at April 30, 2020, the Company has a working capital deficiency of $672,715 (2019 – deficiency of $85,648). There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. The Company may seek additional financing through equity and debt offerings and advances from related parties, but there can be no assurance that such financing will be available on terms acceptable to the Company.

c) Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company is not exposed to significant risks associated with the effects of fluctuations in the prevailing levels of market interest rates.

16. Income Taxes

The total income tax recovery varies from the amounts that would be computed by applying the statutory income tax rate to loss before income taxes as follows:

	2020	2019
Net (loss) income before income taxes	**$ (549,560)**	$ 57,762
Statutory rates	**27%**	27%
Expected income tax (recovery) expense	**(148,000)**	16,000
Change in estimate and other	**1,000**	(16,000)
Change in unrecognized tax benefits	**147,000**	-
	$ -	$ -

Deferred income tax assets and liabilities are recognized for temporary differences between the carrying amount of the balances on the statements of financial position and their corresponding tax values as well as for the benefit of losses available to be carried forward to future years for tax purposes to the extent that it is probable that future taxable profit will allow the deferred tax assets to be recovered.

(Expressed in Canadian Dollars)

16. Income Taxes (continued)

Significant components of the Company's deferred tax assets, after applying enacted corporate income tax rates, are as follows:

		2020		2019
Deferred income tax assets				
Non-capital losses	**$**	**154,000**	$	-
Capital assets		**(7,000)**		-
Less: deferred income tax assets not recognized		**147,000**		-
Net deferred income tax assets	**$**	**-**	$	-

The Company has approximated non-capital losses of $572,000 available to reduce taxable income in Canada expiring from 2017 as follows

17. Commitments

The Company is committed to lease payments on its warehouse to December 31, 2026 as follows:

- 2021 - $78,945
- 2022 - $128,208
- 2023 - $153,000
- 2024 - $162,919
- 2025 - $170,004
- 2026 - $113,336

18. Economic Dependence

During the year ended April 30, 2020, sales with four customers provided 51% of total sales (2019 – nil%).

19. Subsequent Event

On December 24, 2020, the Company entered into a definitive agreement with New Wave Holdings Corp. ("New Wave") (CSE: SPOR), whereby New Wave acquired 100% of the issued and outstanding shares of the Company by issuing 28,190,725 New Wave common shares with a fair value of $0.1718 per common share to the existing Way of Will shareholders.

Way of Will Inc.

Condensed interim Financial Statements

For the six months ended October 31, 2020 and 2019

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF THE
CONDENSED INTERIM C FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim financial statements of the Company for the six months ended October 31, 2020 have been prepared by and are the responsibility of the Company's management, and have not been reviewed by the Company's auditors.

Way of Will Inc.
Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

As at	Note	October 31, 2020	April 30, 2020
ASSETS		**$**	**$**
Current assets			
Cash		**424,516**	200,433
Trade and other receivables	5	**570,092**	53,599
Inventories	6	**988,672**	453,814
GST receivable		**124,120**	16,982
		2,107,400	724,828
Equipment	7	**82,869**	76,460
Right-of-use asset	12	**476,812**	513,084
Website and sales platform	8	**120,286**	96,190
TOTAL ASSETS		**2,778,367**	1,410,562
LIABILITIES			
Current liabilities			
Trade and other payables		**1,039,203**	298,565
Advances from related party	11	**809,276**	597,870
Loans payable	10	**519,445**	440,662
Current portion of lease liabilities	12	**14,070**	20,446
		2,381,994	1,357,543
Lease liabilities	12	**571,345**	571,345
CEBA loan	9	**40,000**	40,000
Total liabilities		**2,993,339**	1,968,888
SHAREHOLDER'S DEFICIENCY			
Share capital	13	**100**	100
Accumulated deficit		**(215,072)**	(558,426)
		(214,972)	(558,326)
TOTAL LIABILITIES AND SHAREHOLDER'S DEFICIENCY		**2,778,367**	1,410,562

See accompanying notes to the condensed interim finanical statements

Way of Will Inc.
Condensed Interim Statements of Operations and Comprehensive Income
For the three and six months ended October 31, 2020 and 2019
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	Note	For the three months ended October 31, 2020	For the three months ended October 31, 2019	For the six months ended October 31, 2020	For the six months ended October 31, 2019
		$	$	$	$
Revenue		**1,596,594**	597,287	**2,125,532**	3,910,181
Cost of goods sold		**690,664**	253,092	**864,338**	2,085,024
Gross profit		**905,930**	344,195	**1,261,194**	1,825,157
Selling and distribution expenses					
Bad debts		**-**	-	**13,693**	-
Freight and delivery		**169,524**	61,054	**271,692**	423,698
Product development		**23,226**	14,760	**46,737**	56,080
Product promotion		**148,623**	87,342	**256,918**	512,525
		341,373	163,156	**589,040**	992,303
Administrative expenses					
Depreciation		**22,636**	22,636	**69,319**	53,811
Bank charges and interest		**10,702**	10,473	**21,751**	36,502
Accretion interest		**14,689**	14,995	**29,458**	30,062
Professional fees		**25,125**	3,078	**44,820**	53,548
Management and consulting fees		**95,207**	117,118	**179,473**	664,096
Office, rent and salaries		**59,865**	21,575	**125,150**	244,682
Travel		**-**	8,866	**1,170**	19,132
		228,224	198,741	**471,141**	1,101,833
Income (loss) before other items		**336,333**	(17,702)	**201,013**	(268,979)
Other items					
Foreign exchange gain		**10,464**	40,716	**142,341**	307,604
Net income and Comprehensive income for the period		**346,797**	23,014	**343,354**	38,625

See accompanying notes to the condensed interim finanical statements

Way of Will Inc.
Condensed Interim Statements of Cash Flows
For the six months ended October 31, 2020 and 2019
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	For the six months ended October 31,	
	2020	**2019**
	$	$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Net income for the period	**343,354**	38,625
Non-cash items:		
Depreciation	**69,319**	53,811
Accretion interest	**29,458**	30,062
Bad debt expense	**13,693**	-
Changes in non-cash working capital items:		
Trade and other receivables	**(654,306)**	(451,779)
Prepaid expenses	**-**	183,215
Inventories	**(534,858)**	(33,424)
Trade and other payables	**740,638**	299,918
	24,280	120,429
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of equipment	**(30,456)**	(17,912)
Purchases of website and sales platform	**(24,096)**	(84,830)
	(54,552)	(102,742)
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances from related party	**211,406**	(220,135)
Lease payments	**(35,834)**	(35,834)
Loan proceeds	**78,783**	155,428
	254,355	(100,541)
Net change in cash for the period	**224,083**	(82,854)
Cash, beginning of the period	**200,433**	82,210
Cash (bank indebtedness), end of the period	**424,516**	(644)

Note 16 – supplemental cash flow information

Way of Will Inc.
Condensed Interim Statements of Changes in Shareholder's Equity (Deficit)
For the period ended October 31, 2020 and 2019
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	Number of Class A Common Shares	Share Capital	Number of Class B Common Shares	Share Capital	Accumulated Deficit	Total Shareholder's Equity/(Deficiency)
	#	$	#	$	$	$
Balance, April 30, 2019	5,000,000	100	-	-	(8,866)	(8,766)
Net income for the period	-	-	-	-	38,625	38,625
Balance, October 31, 2019	5,000,000	100	-	-	29,759	39,869
Balance, April 30, 2020	5,000,000	100	-	-	(558,426)	(558,326)
Net income for the period	-	-	-	-	343,354	343,354
Balance, October 31, 2020	**5,000,000**	**100**	**-**	**-**	**(215,072)**	**(214,972)**

See accompanying notes to the condensed interim financial statements

1. Nature of Operations and Going Concern

Way of Will Inc. ("WayofWill" or the "Company") was incorporated under the laws of the province of Ontario on January 20, 2016.

The Company is a 100% Canadian-owned-and-operated developer and manufacturer of essential oil body care blends with an emphasis on natural ingredients and aromatherapy. The Company has a multi-channel sales approach.

The head office, principal address, and registered and records office is located at 110 Mack Ave, Unit 1-A, Scarborough, Ontario, M1L 1M9 Canada.

The Company's financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. For the period ended October 31, 2020, the Company had working capital deficiency of $274,594 (April 30, 2020 –$632,715) and has accumulated deficit of $215,072. The Company remains reliant on external sources of financing to fund operations and meet the Company's obligations.

Management cannot provide assurance that the Company will ultimately achieve profitable operations or positive cash flow. The Company's continuation as a going concern is dependent on its ability to attain profitable operations and raise additional capital. These matters indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported revenues and expenses and statement of financial position classifications that would be necessary if the going concern assumption was inappropriate. Such adjustments could be material.

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. COVID 19 has impacted the retail channels that the Company historically sells through. The duration and impact of the COVID-19 outbreak is unknown at this time. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

2. Basis of Presentation

a) Statement of compliance

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") and in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting.

2. Basis of Presentation (continued)

b) Basis of measurement

The preparation of the condensed interim financial statements in compliance with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. See Note 4 for use of estimates and judgments made by management in the application of IFRS.

The financial statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit or loss and fair value through other comprehensive income. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The financial statements are presented in Canadian dollars which is its functional currency.

3. Significant Accounting Policies

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited financial statements as at April 30, 2020. The accompanying unaudited condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended April 30, 2020.

4. Use of Estimates and Judgments

The preparation of the condensed interim financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Critical accounting estimates

Critical estimates which are most subject to uncertainty and have the most significant risk of resulting in a material adjustment to the carrying values of assets and liabilities within the next twelve months are as follows:

4. Use of Estimates and Judgments (continued)

Recoverability of receivables

Provisions are made against accounts that, in the estimation of management, may be uncollectible. The recoverability assessment of trade and other receivables is based on a range of factors, including the age of the receivable and the creditworthiness of the customer. The provision is assessed monthly with a detailed formal review of balances and security being conducted annually. Determining the recoverability of an account involves estimation and judgment as to the likely financial condition of the customer and their ability to subsequently make payments. To the extent that future events impact the financial condition of the customers these provisions could vary significantly.

Convertible debt

The convertible debentures are separated into their liability and equity components on the statements of financial position. The liability component is initially recognized at fair value, calculated at the present value of the liability based upon non-convertible debt issued by comparable issuers and accounted for at amortized cost using the effective interest rate method. The effective interest rate used is the estimated rate for non-convertible debt with similar terms at the time of issue.

Valuation of inventory

Management makes estimates of future customer demand for products when establishing appropriate provisions for inventory obsolescence. In making these estimates, management considers the shelf-life of inventory and profitability of recent sales.

Useful lives of equipment and intangibles

Depreciation of the Company's equipment and intangible assets incorporate estimates of useful lives and residual values. These estimates may change as market conditions change and the future economic benefits from the use of the asset changes, thereby impacting the useful life and residual value of the equipment or intangible asset. Any revisions to useful life are accounted for prospectively.

Interest rates
The Company estimates a market interest rate in determining the fair value of its long-term liabilities and right-of-use assets. The determination of the market interest rate is subjective and could materially affect the fair value estimate.

(Expressed in Canadian Dollars)

4. Use of Estimates and Judgments (continued)

Critical accounting judgments

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

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay its ongoing operating expenditures and meet its liabilities for the ensuing year involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

5. Trade and Other Receivables

	October 31, 2020	**April 30, 2020**
Accounts receivable	$ 570,092	$ 53,599

During the six months ended October 31, 2020, the Company recorded bad debt of $13,693 (April 30, 2020 - $14,474 bad debt expense) relating to accounts receivable.

6. Inventories

	October 31, 2020	**April 30, 2020**
Raw materials	**$ 382,749**	$ 107,239
Packaging	**537,861**	279,366
Finished goods	**68,062**	67,209
	$ 988,672	$ 453,814

7. Equipment

	Computer Equipment	Machinery and Equipment	Total
Cost			
Balance April 30, 2019	$1,027	$84,450	$85,477
Additions	4,373	5,000	9,373
Balance April 30, 2020	5,400	89,450	94,850
Additions	-	30,456	30,456
Balance October 31, 2020	**$5,400**	**$119,906**	**$125,306**

(Expressed in Canadian Dollars)

7. Equipment (continued)

	Computer Equipment	Machinery and Equipment	Total
Accumulated depreciation			
Balance April 30, 2019	$246	$8,949	$9,195
Depreciation	246	8,949	9,195
Balance April 30, 2020	492	17,898	18,390
Depreciation	-	24,047	24,047
Balance October 31, 2020	**$492**	**$41,945**	**$42,437**

Net book value			
Balance April 30, 2020	$4,908	$71,552	$76,460
Balance October 31, 2020	**$4,908**	**$77,961**	**$82,869**

8. Website and Sales Platform

	Website	Sales Platform	Total
Cost			
Balance April 30, 2019	$ -	$ 600	$ 600
Additions	24,537	95,100	119,637
Balance April 30, 2020	24,537	95,700	120,237
Additions	-	24,096	24,096
Balance October 31, 2020	**$24,537**	**$119,796**	**$144,333**

	Website	Sales Platform	Total
Accumulated depreciation			
Balance April 30, 2019	$ -	$ -	$ -
Depreciation	5,027	19,020	24,047
Balance April 30, 2020	5,027	19,020	24,047
Depreciation	-	-	-
Balance October 31, 2020	**$5,027**	**$19,020**	$24,047

(Expressed in Canadian Dollars)

8. Website and Sales Platform (continued)

Net book value			
Balance April 30, 2020	$19,510	$76,680	$96,190
Balance April 30, 2021	**$19,510**	**$100,776**	**$120,286**

9. CEBA Loan

During the year ended April 30, 2020, the Company borrowed $40,000 from the Canada Emergency Business Account ("CEBA") program. In 2021, the Company received an additional $20,000 which is an interest free loan to cover operating costs. The CEBA Loan has an initial term that expires on December 31, 2022, throughout which, the CEBA Loan remains interest free. Repayment of $30,000 by December 31, 2022, results in a $10,000 loan forgiveness. If the balance is not paid prior to December 31, 2022, the remaining balance will be converted to a 3-year term loan at 5% annual interest, paid monthly effective January 1, 2023. The full balance must be repaid by no later than December 31, 2025.

10. Loans Payable

During the period ended October 31, 2020, the Company received a revolving loan from an arm's length party in the amount of $372,860. The loan bears interest at 1-1.25% per month, is secured by cash receivables of the Company, of which 6% of the previous month's outstanding balance is repayable each month.

During the year ended April 30, 2020, the Company received a $440,662 loan from another arm's-length party. The loan is still outstanding as of April 30, 2021. The loan is non-interest bearing, is unsecured, and has no fixed terms of repayment.

11. Advances from Related Party

As at October 31, 2020, the Company is indebted to an officer and significant shareholder of the Company in the amount of $4,522 (April 30, 2020 - $597,870). On April 7, 2021 shareholder advances of $595,000 were converted into convertible debentures (Note 19). The advances are non-interest bearing, are unsecured, and have no fixed terms of repayment.

(Expressed in Canadian Dollars)

12. Right-of-Use Asset and Lease Liability

The Company has a lease agreement which qualifies for reporting under IFRS 16. During the 2020 year, the Company recognized $603,628 for a right-of-use ("ROU") asset and $603,628 for a lease liability.

The continuity of the ROU asset and lease liability for the six months ended October 31, 2020 and for the year ended April 30, 2020 is as follows:

Right-of-Use Office lease	
	$
Balance, opening	
Right-of-use asset recognized on May 1, 2019	603,628
Depreciation for the year	(90,544)
Balance, April 30, 2020	513,084
Depreciation for the year	(45,272)
Balance, October 31, 2020	**467,812**

Lease liabilities	
	$
Opening balance May 1, 2019,	-
Lease liability addition May 1, 2019	603,628
Lease payments	(71,667)
Lease interest	59,830
Balance, ending April 30, 2020	591,791
Lease payments	(35,834)
Lease interest	29,458
Balance, ending October 31, 2020	**585,415**
Current portion	14,070
Long term	571,345
Balance, ending	**585,415**

13. Share Capital

(a) Authorized:

Unlimited Class A Common Shares, without par value, with voting rights – 5,000,000 issued and outstanding; and
Unlimited Class B Common Shares, without par value, without voting rights, with a non-cumulative dividend Nil issued and outstanding.

On May 4, 2021, the Company subdivided the class A common shares on a basis of 50,000 Class A common shares for each issued and outstanding common share. All references to common shares and per common share amounts have been retroactively restated to reflect this share consolidation.

(b) Issued:

No shares were issued during the six months ended October 31, 2020 and for the year ended April 30, 2020.

14. Management of Capital

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern to pursue the development of its business and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes advances from related parties and loans.

The Company manages the capital structure and makes adjustments to 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 shares or issue new debt.

The Company is dependent on financing from its main source of operating capital and the Company's capital resources are largely determined by the strength of the technology and telecommunications markets and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support.

The Company is not subject to any external capital requirements. There is no change to the Company's approach to capital management during the period ended October 31, 2020.

15. Financial Instruments

A fair value hierarchy prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying amounts of cash, trade receivables, trade payables, loans payable and advances from related party approximate their fair values due to their short term nature.

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

a) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company reduces its credit risk on cash by placing these instruments with institutions of high credit worthiness. The Company provides credit to its clients in the normal course of operations. It carries out, on a continuing basis, credit checks on its clients and maintains provisions for contingent losses. The Company's maximum exposure to credit risk is the carrying amounts of cash and trade receivables on the statement of financial position.

Trade accounts receivable are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of the counterparty to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 365 days past due.

b) Liquidity Risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they become due. As at October 31, 2020, the Company has a working capital deficiency of $274,594 (April 30, 2020 – $672,715). There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. The Company may seek additional financing through equity and debt offerings and advances from related parties, but there can be no assurance that such financing will be available on terms acceptable to the Company.

c) Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company is not exposed to significant risks associated with the effects of fluctuations in the prevailing levels of market interest rates.

(Expressed in Canadian Dollars)

16. Supplemental cash flow

Supplemental information:	**October 31, 2020**	**October 31, 2019**
Right-of-use assets and lease liabilities recognized	**-**	602,628
Income taxes paid	**-**	-
Interest paid	**29,458**	30,062

17. Commitments

The Company is committed to lease payments on its warehouse to December 31, 2026 as follows:

- 2021 - $78,945
- 2022 - $128,208
- 2023 - $153,000
- 2024 - $162,919
- 2025 - $170,004
- 2026 - $113,336

18. Subsequent Event

On December 22, 2020, the Company closed a private placement and issued 781,821 class B common shares for cash proceeds of $3,909.

On December 23, 2020, the Company completed a share exchange with the shareholders of the Company, the Company, and New Wave Holdings Corp. ("New Wave"), a public company listed on the Canadian Securities Exchange (CSE – SPOR). Under the terms of the share exchange, New Wave acquired all the issued and outstanding Class A and Class B common shares from the shareholders of the Company in exchange for shares in New Wave. As a result of the share exchange, the Company became a wholly owned subsidiary of New Wave.

On April 7, 2021, the Company approved the issuance of $1,130,000 convertible debentures. Of this amount $595,000 was comprised of shareholder advances from an officer and significant shareholder in the Company which were converted into convertible debentures. An additional $535,000 was received from various third parties. The convertible debentures bear interest at 10% per annum, mature one year from the date of issuance, and the principal and interest are convertible into units of the Company at a price of $0.05 per share at the option of the holder. Each unit is comprised of one common shares in the Company and one share purchase warrant which can be used to acquire an additional common share of the Company for a period of two years at a price of $0.075 per share.

18. Subsequent Event (continued)

Subsequent to October 31, 2020, the Corporation obtained access to $125,000 in repayable funding from the Federal Economic Development Agency for Southern Ontario through the Regional Relief and Recovery Fund ("RRRF"). The funding was granted in the form of an interest-free loan of up to $125,000 to offset fixed operating costs. Repayment of the principal amount of the loan will take place in 60 monthly instalments of $2,083 beginning on April 1, 2023 and concluding on November 1, 2027. The Corporation used the assumption of a 10% discount rate to determine the fair value of the interest-free loan. The difference between the amount received in cash on each drawdown date and the related fair value was considered a government grant and was recognized as an item of income in the statement of operations and comprehensive loss. $125,000 was received on April 1, 20201. Recognition of the initial $125,000 drawdown of the loan was at its fair value using a discount rate of 10%, representing the Corporation's estimated unsecured credit risk. $81,013 was recognized as debt and $43,987 was recognized as a government grant in the statement of operations and comprehensive loss as a reduction in Office, rent and salaries.