EMERGENCE GLOBAL ENTERPRISES INC.

Consolidated Financial Statements

For the nine-month period ended July 31, 2022 and 2021

(Expressed in United States Dollars)

EMERGENCE GLOBAL ENTERPRISES INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in United States Dollars)

As at	Note	July 31, 2022 $	October 31, 2021 $
Assets			
Current assets			
Cash and Cash Equivalents		42,921	207,695
Inventory	5	374,017	520,855
Accounts Receivable		51,991	87,367
Prepaid Expenses / Other Assets		144,908	162,232
Current assets		613,837	978,149
Non-current assets			
Property and Equipment	4	2,822,567	142,275
Goodwill	3	3,875,121	3,937,117
Total assets		**7,311,525**	**5,057,541**
Liabilities and shareholders' deficit			
Current liabilities			
Accounts Payable and Accrued Liabilities		497,986	336,214
Loans Payable	6	878,003	853,135
Due to Related Parties	7	282,920	274,108
Total Current liabilities		1,658,909	1,463,457
Non-Current Liabilities			
Loans Payable	7	1,418,163	776,434
Total liabilities		**3,077,071**	**2,239,891**
Shareholders' deficit			
Share Capital	8	6,509,566	4,819,690
Share-Based Payment Reserve		225,156	225,156
Accumulated Other Comprehensive Income (Loss)		137,775	177,125
Accumulated Deficit		(2,631,069)	(2,404,211)
Total shareholders' deficit		4,237,941	2,817,760
Total liabilities and shareholders' deficit		**7,311,525**	**5,057,651**

Nature of operations and going concern (Note 1)

Approved and authorized for issuance by the Board of Directors on September 14, 2022

/s/ Joseph Byrne	*/s/ Raju Kalsi*
Joseph Byrne, CEO	Raju Kalsi, CFO

(The accompanying notes are an integral part of these consolidated financial statements.)

EMERGENCE GLOBAL ENTERPRISES INC.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(Expressed in United States dollars)

	For the Three Months ending		For the Nine Months ending	
	July 31, 2022	July 31, 2021	July 31, 2022	July 31, 2021
Revenue	838,243	685,538	1,524,158	1,104,246
Cost of Sales	645,968	433,297	1,061,805	755,875
Gross Profit	192,275	252,241	462,354	348,371
Expenses				
Selling, General and Administrative Expenses	297,817	312,708	507,274	482,427
Total Expenses	297,817	312,708	507,274	482,427
Profit / (Loss) Before Other Income (Expense)	(105,542)	(60,467)	(44,920)	(134,056)
Other Income / (Expense)				
Insurance Claim				
Interest Expense		(18,500)	21,805	(30,950)
Total Other Income (Expense)	-	(18,500)	21,805	(30,950)
Net Income / Loss from Continuing Operations	(105,542)	(78,967)	(23,115)	(165,006)
Net Income / (Loss) for the Year	(105,542)	(78,967)	(23,115)	(165,006)
Other Comprehensive Income (Loss)				
Foreign Currency Translation Income (Loss)	-	16,625	-	(126,964)
Comprehensive Income (Loss) for the Year	(105,542)	(62,343)	(23,115)	(291,970)
Net income (Loss) Per Share	0.00	0.00	0.00	0.02
Weighted Average Number of Common Shares Outstanding	78,342,738	20,681,971	79,003,859	18,691,129

(The accompanying notes are an integral part of these consolidated financial statements)

EMERGENCE GLOBAL ENTERPRISES INC.
(FORMERLY VELOCITY DATA INC.)
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in United States dollars)

	Share Capital		Share-Based	Accumulated Other Comprehensive		
	Number of shares	**$**	**Payment e Reserve $**	**Income (loss) $**	**Deficit $**	**Total $**
Balance as at October 31, 2020	16,156,971	985,994	225,156	(29,341)	(2,121,571)	(939,762)
Shares issued for acquisition of subsidiary	4,525,000	3,833,696	-	-	-	3,833,696
Foreign exchange translation gain (loss)	-	-	-	206,466	-	206,466
Net income (loss) for the year	-	-	-	-	(282,640)	(282,640)
Balance as at October 31, 2021	**20,681,971**	**4,819,690**	**225,156**	**177,125**	**(2,404,211)**	**2,817,760**
Shares Issued	57,660,777	390,308	225,156			390,308
Foreign exchange translation gain (loss)	-	-	-	0	-	-
Net income (loss)	-	-	-		82,847	82,847
Balance as at April 30, 2022	**78,342,748**	**5,217,998**	**225,156**	**177,125**	**(2,765,358)**	**3,290,915**
Shares Issued	1,700,000	1,291,568	225,156			390,308
Foreign exchange translation gain (loss)	-	-	-	0	-	-
Net income (loss)	-	-	-		(105,542)	82,847
Balance as at July 31, 2022	**80,042,748**	**6,509,566**	**225,156**	**177,125**	**(2,870,900)**	**4,040,947**

(The accompanying notes are an integral part of these consolidated financial statements.)

EMERGENCE GLOBAL ENTERPRISES INC.
NOTES TO THE FINANCIAL STATEMENTS
For the nine months ended July 31, 2022 and 2021
(Expressed in United States dollars)

For the period ended	**July 31, 2022 $**	**July 31, 2021 $**
Operating activities		
Net income (loss)	(105,542)	(165,006)
Items not affecting cash:		
Net Assets from Acquisitions	1,066,940	172,229
Depreciation		-
Changes in non-cash operating working capital:		
Inventory	(374,017)	(635,281)
Accounts receivable	(51,911)	(57,898)
Property and Equipment	-	(224,998)
Accounts payable and accrued expenses	497,986	436,438
Due to related parties	282,920	228,944
Net cash flows provided by operating activities	**249,436**	**(245,572)**
Investing activities		
Proceeds of Financing Activities	-	72,690
Net cash flows provided by financing activities		**72,690**
Financing activities		
Proceed from loan payables	858,917	471,954
Net cash flows provided by (used in) operating activities	**(41,413)**	**299,072**
Effect of foreign exchange rate changes on cash	**-**	**(126,964)**
Net increase (decrease) in cash during the year	(41,413)	172,108
Cash, beginning of reporting period	84,334	3,345
Cash, end of reporting period	42,921	175,453

(The accompanying notes are an integral part of these consolidated financial statements)

1. Nature of Operations and Going Concern

Emergence Global Enterprises Inc, (the "Company") was incorporated as GTO Resources Inc. on May 10, 2011 under the Business Corporations Act (British Columbia). The Company changed its name to "Velocity Data Inc" on August 7, 2014. On February 15, 2020, the Company changed its name from "Velocity Data Inc." to "Emergence Global Enterprises Inc." As at April 30, 2021, the Company is engaged in business activity of acquiring, creating and building reputable consumer brands using leading innovation, integrated platforms and full traceability for the health food marketplace.

The Company's registered office is located at Suite 600 – 1285 West Broadway, Vancouver, BC V6H 3X8.

Acquisition of Vertical Farming Assets from J-CAL Investments
On March 31, 2022, the Company and J-CAL Investments Inc. ("J-CAL") entered into a purchase agreement whereby the Company acquired certain vertical farming assets located in Strathcona County, Alberta for the issuance of 6,469,306 common shares of the Company. The agreement is subject to, amongst other things, regulatory, board, and other approvals with 6,469,306 common shares of the Company issuable upon approval. The 6,469,306 common shares of the Company were issued April 7, 2022.

Acquisition of Vertical Farming Technology from O Grow Investments
On April 12th, 2022, Emergence Global Inc completed its most recent acquisition of assets from O'Grow Investments Inc, including Complete Commercial Automated growing systems with vertical technologies and innovations for indoor farming. This specialized equipment Acquisition of assets is an excellent addition to our fresh nutrient-dense locally grown food and Nutraceuticals. The agreement is subject to, amongst other things, regulatory, board, and other approvals with 10,850,000 common shares of the Company issuable upon approval. The 10,850,000 common shares of the Company were issued April 19, 2022.

The outbreak of the novel coronavirus COVID-19, which was declared a pandemic by the World Health Organization on March 11, 2020, has led to adverse impacts on the Canadian and global economies, disruptions of financial markets, and created uncertainty regarding potential impacts to the Company's supply chain and operations. The COVID-19 pandemic has impacted and could further impact the Company's operations and the operations of the Company's suppliers and vendors as a result of quarantines, facility closures, and travel and logistics restrictions. The extent to which the COVID-19 pandemic impacts the Company's business, results of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to the duration, spread, severity, and impact of the COVID-19 pandemic, the effects of the COVID-19 pandemic on the Company's suppliers and vendors and the remedial actions and stimulus measures adopted by local and federal governments, and to what extent normal economic and operating conditions can resume. The management team is closely following the progression of COVID-19 and its potential impact on the Company. Even after the COVID-19 pandemic has subsided, the Company may experience adverse impacts on its business due to any economic recession or depression that has occurred or may occur in the future. The impact on the Company has not been significant, but management continues to monitor the situation.

These condensed consolidated financial statements have been prepared on a going concern basis, which implies that the Company will continue to meet its obligations and continue its operations for the next fiscal period. For the nine months ended July 31, 2022, the Company has reported revenues of $1,524,158, net loss of $23,115, and as at that date, had a working capital deficit of $1,043,072 and accumulated deficit of $2,631,069. These factors raise substantial doubt regarding the Company's ability to continue as a going concern. The continuation of the Company as a going concern is dependent upon financial support from its stockholders, the ability of the Company to obtain necessary equity financing to continue operations, and the attainment of profitable operations.

Management anticipates that the Company will be dependent, for the near future, on additional investment capital to fund operating expenses. The Company intends to position itself so that it may be able to raise additional funds through the capital markets. In light of management's efforts, there are no assurances that the Company will be successful in this or any of its endeavors or become financially viable and continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

2. Significant Accounting Policies

The principal accounting policies applied in the preparation of the condensed consolidated financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

a) Statement of Compliance
These condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

b) Basis of Presentation and Principles of Consolidation
These condensed consolidated financial statements have been prepared on a historical cost basis, except for financial instruments, which are measured at fair value. These condensed consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information, and presented are in United States dollars.

c) Use of Estimates and Judgments
The preparation of these condensed consolidated financial statements requires management to make certain estimates, judgments, and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed consolidated financial statements and reported amounts of expenses during the period. These estimates are, by their nature, uncertain. The impacts of such estimates are pervasive throughout the condensed consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Significant areas requiring the use of estimates include the fair value of share-based payments and unrecognized deferred income tax assets.

Accounts payable and accrued liabilities include amounts that have been the subject of summary judgment decisions in various states in the United States. The Company has applied potential interest liability of all summary judgment amounts at the maximum allowable interest rate under the respective states for which the Company has summary judgments against them.

The Company's assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

d) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and are subject to an insignificant risk of changes in fair value to be cash equivalents.

e) Financial Instruments

Classification and measurement – initial recognition

On initial recognition, all financial assets and liabilities are classified and recorded at fair value, net of attributable transaction costs, except for financial assets and liabilities classified as at fair value through profit or loss ("FVTPL").

Classification and measurement – subsequent to initial recognition

Subsequent measurement of financial assets and liabilities depends on their classification and measurement basis.

Financial Assets

Subsequent to initial recognition, financial assets are measured at amortized cost, fair value through other comprehensive income, or fair value through profit or loss, depending on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at amortized cost if both of the following conditions are met:

a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met:

a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that do not meet the above conditions are classified as fair value through profit or loss. The Company's cash and assets held for sale are measured at amortized cost.

Financial Liabilities

Subsequent to initial recognition, financial liabilities are measured at amortized cost, unless designated as fair value through profit or loss. The Company's accounts payable and accrued liabilities, loans payable, liabilities held for sale, and amounts due to related parties are measured at amortized cost.

Impairment of Financial Assets

The Company applies the ECL model to its financial assets measured at amortized cost. Under the ECL model, loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Upon recognition of a financial asset, 12-month ECLs are recognized in the consolidated statement of operations and a loss allowance is established. At each reporting date, if the credit risk associated with a financial asset has increased significantly and is not considered low, lifetime ECLs are recognized in the consolidated statement of operations.

f) Share-Based Compensation

The grant date fair value of share-based payment awards granted to employees is recognized as stock-based compensation expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The grant date fair value of share-based payment awards granted to employees is recognized as stock-based compensation expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Where equity instruments are granted to parties other than employees, they are recorded by reference to the fair value of the services received. If the fair value of the services received cannot be reliably estimated, the Company measures the services received by reference to the fair value of the equity instruments granted, measured at the date the counterparty renders service.

All equity-settled share-based payments are reflected in contributed surplus, unless exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payment reserve is credited to share capital, adjusted for any consideration paid.

g) Comprehensive Income (Loss)

Comprehensive income (loss) is the change in the Company’s net assets that results from transactions, events, and circumstances from sources other than the Company’s shareholders and includes items that are not included in the consolidated statement of operations.

h) Loss Per Share

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted loss per share, whereby all “in the money” stock options are assumed to have been exercised at the beginning of the period and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the period. When a loss is incurred during the period, basic and diluted loss per share are the same as the exercise of stock options and share purchase warrants is considered to be anti-dilutive. As at July 31, 2022, the Company has nil potentially dilutive shares outstanding.

i) Income Taxes

Current income tax
Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in the consolidated statement of loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax
Deferred income tax is provided using the statement of financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

j) Future Accounting Pronouncements
A number of new standards, and amendments to standards and interpretations, are not yet effective for the six months ended April 30, 2022 and have not been early adopted in preparing these financial statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

3. Business Combinations

<u>Acquisition of Vertical Farming Assets in Strathcona County, AB</u>

On March 31, 2022, the Company and J-CAL Investments Inc. ("J-CAL") entered into a purchase agreement whereby the Company acquired certain vertical farming assets located in Strathcona County, Alberta for the issuance of 6,469,306 common shares of the Company. The agreement is subject to, amongst other things, regulatory, board, and other approvals with 6,469,306 common shares of the Company issuable upon approval. The 6,469,306 common shares of the Company were issued on April 7, 2022.

This acquisition was accounted for using the acquisition method. The fair value of net assets of the assets purchased from J-CAL as at the date of acquisition and the purchase price allocation are detailed below:

(Expressed in United States dollars)

Purchase price	$	905,703
Assets acquired		
Cash and cash equivalents		-
Inventory		-
Property & equipment		1,788,940
Less liabilities assumed		
Accounts payable and other current liabilities		
Loans payable		(250,000)
Net assets acquired	$	(1,538,940)
Excess of purchase price over net assets acquired		0
Allocated to:		
Goodwill		0

Acquisition of Vertical Farming Technology from O Grow Investments

On April 12th, 2022, Emergence Global Inc completed its most recent acquisition of assets from O'Grow Investments Inc, including Complete Commercial Automated growing systems with vertical technologies and innovations for indoor farming. This specialized equipment Acquisition of assets is an excellent addition to our fresh nutrient-dense locally grown food and Nutraceuticals. The agreement is subject to, amongst other things, regulatory, board, and other approvals with 10,850,000 common shares of the Company issuable upon approval. The 10,850,000 common shares of the Company were issued April 19, 2022.

This acquisition was accounted for using the acquisition method. The fair value of net assets of O Grow as at the date of acquisition and the purchase price allocation are detailed below:

Purchase price	$	1,181,479
Assets acquired		
Cash and cash equivalents		-
Equipment		1,181,479
Net assets acquired	$	1,181,479
Excess of purchase price over net assets acquired		-
Allocated to:		
Goodwill		-

4. Loans Payable

(a) As at July 31, 2022, the Company owes $505,124 (October 31, 2021 - $493,353) to a non-related company. The amount owed is unsecured and bears interest at prime plus 3% per annum compounded semi-annually and is due on demand. The amounts are convertible into common shares of the Company

subject to a weighted average closing price of the first ten trading days of the Company.
(b) As at July 31, 2022, the Company owes $160,692 (October 31, 2020 - $159,650) to a non-related company. The amount owed is non-interest bearing, unsecured and due on demand.
(c) The Company entered into a promissory note with the CEO of the Company for proceeds of $251,434. The amount owing of $79,281 is unsecured, bears interest at prime rate plus 3% on a quarterly basis and is due on December 31, 2023.
(d) Coastal Rock SBA Loan unsecured. Current amount owing is $425,000. Original amount of Loan is $425,000.
(e) Prodynn SBA unsecured Loan. Current amount owing is $225,000 and is on a payment deferral program. Original amount of Loan is $225,000.
(f) NuBreed Loan of $50,000 is interest free, unsecured and payable on demand. The shareholder loan is unsecured, interest free from principal.
(g) Edge Nutrition Loan Payable of $32,542 is unsecured, interest free and is payable on demand.
There is 1 auto loan, totaling $72,764, that is secured by the vehicle.

5. Related Party Transactions

(a) As at July 31, 2022, the Company owed $35,480 (October 31, 2021 - $102,325) to the Chief Executive Officer (the "CEO") and a company associated with the CEO, which is non-interest bearing, non-secured, and is due on demand.
(b) As at July 31, 2021, the Company owed $171,783 to the shareholder and a company associated with the shareholder, which is non-interest bearing, non-secured, and is due on demand.

6. Share Capital

Authorized: Unlimited number of voting common shares
Unlimited number of preferred shares

(a) During Q3 2022,, the Company issued 1,700,000 common shares to various employees and management for the contractual payment of services performed for the Company

7. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and cash equivalents and equity comprised of issued share capital, share-based payment reserve, equity component of convertible debt, and deficit.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended October 31, 2021.

8. Financial Instruments and Risk Management

a) Risk management overview
The Company's activities expose it to a variety of financial risks including credit risk, liquidity risk and market risk. This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. The Company employs risk management strategies

and policies to ensure that any exposure to risk is in compliance with the Company's business objectives and risk tolerance levels. While the Board of Directors has the overall responsibility for the Company's risk management framework, the Company's management has the responsibility to administer and monitor these risks.

b) Fair values
Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

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

- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of financial instruments, which include cash, assets held for sale, accounts payables and accrued liabilities, amounts due to related parties, liabilities held for sale, and loans payable approximate their fair values due to the short-term nature of those instruments.

c) Credit risk
Credit risk refers to the possibility that a customer or counterparty will fail to fulfill its obligations under a contract and, as a result create a financial loss for the Company. The Company minimizes its credit risk associated with its cash balance by dealing with major financial institutions in Canada and the United States. The carrying amount of financial assets represents the maximum credit exposure.

d) Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising debt or equity financing on time and by maintaining sufficient cash above anticipated needs.

e) Foreign exchange and interest rate risk
The Company is exposed to currency risk related to the fluctuation of foreign exchange rates. The Company has not entered into any derivative contracts or hedged its exposure to foreign currency fluctuations, as it is not exposed to any significant foreign interest rate risk. Interest rate risk is the risk related to fluctuations caused by the changes in interest rates.