



**PLANTX LIFE INC.**

**Condensed Interim Consolidated financial statements  
For the six Month ended September 30, 2023 and 2022**

**(EXPRESSED IN CANADIAN DOLLARS)**

## **MANAGEMENT'S COMMENTS ON UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if any auditor has not performed a review of the Condensed Interim Consolidated financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The accompanying unaudited Condensed Interim Consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of Condensed Interim Consolidated financial statements by an entity's auditors.

# PlantX Life Inc.

## Condensed Interim Consolidated Statements of Financial Position (Expressed in Canadian Dollars)

	September 30, 2023	March 31 2023 (Restated)
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 894,446	\$ 159,157
Receivables	682,227	784,227
Prepays and deposits (Note 6)	74,906	55,255
Inventories (Note 4)	611,762	764,755
Other assets	18,182	19,106
	<b>2,281,523</b>	<b>1,782,500</b>
<b>Non-current assets</b>		
Property and equipment (Note 10)	406,804	140,782
Right-of-use asset (Note 9)	4,249,983	4,643,572
Intangible assets (Note 8)	958,450	987,609
<b>Total assets</b>	<b>\$ 7,896,760</b>	<b>\$ 7,554,463</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Note 7)	\$ 12,512,007	\$ 8,604,916
Contingent consideration	968,607	968,607
Non controlling interest put option	276,826	276,826
Unearned revenue (Note 13)	159,833	160,431
Due to related party (Note 11)	566,755	521,542
Loans payable (Note 14)	2,848,163	784,678
Lease liabilities (Note 9)	636,054	637,426
Other liability	157,801	62,826
	<b>18,126,046</b>	<b>12,017,252</b>
<b>Non-current liabilities</b>		
Loans payable (Note 14)	6,423,152	6,927,727
Non controlling interest put option	300,718	300,718
Lease liabilities - (Note 9)	5,967,227	6,371,691
<b>Total liabilities</b>	<b>30,817,143</b>	<b>25,617,388</b>
<b>Shareholders' (deficit) equity</b>		
Share capital (Note 12)	60,754,987	59,506,085
Obligation to issue shares (Note 12)	208,026	208,026
Reserves (Note 12)	25,319,416	25,314,640
Foreign exchange translation reserve	(930,307)	1,202,419
Deficit (Restated)	(99,809,538)	(96,658,798)
<b>Total shareholder's (deficit) equity (Restated)</b>	<b>(14,457,416)</b>	<b>(10,427,628)</b>
<b>Non-controlling Interest (Restated)</b>	<b>(8,462,967)</b>	<b>(7,635,297)</b>
<b>Total (deficit) equity</b>	<b>(22,920,383)</b>	<b>(18,062,925)</b>
<b>Total liabilities and shareholders' (deficit)</b>	<b>\$ 7,896,760</b>	<b>\$ 7,554,463</b>

Note 2, "Going Concern"

"Quinn Field-Dyde" (signed) \_\_\_\_\_ Quinn Field-Dyde, Director

"Lorne Rapkin" (signed) \_\_\_\_\_ Lorne Rapkin, Director

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

## PlantX Life Inc.

### Condensed Interim Consolidated Statements of Loss and Comprehensive Loss For the six months ended September 30, 2023 and 2022 (Expressed in Canadian Dollars)

	Three months ended 2023	Six months ended 2023	Three months ended 2022- Restated	Six months ended 2022- Restated
<b>Revenue</b> (Note 13)	\$ 3,160,006	\$ 5,954,948	\$ 3,853,855	\$ 8,869,579
<b>Cost of sales</b>	(1,689,105)	(3,376,407)	(2,323,673)	(5,542,113)
<b>Gross Profit</b>	1,470,901	2,578,541	1,530,182	3,327,466
<b>Operating expenses</b>				
Advertising and promotion	432,540	692,326	449,777	1,463,790
Amortization (Notes 8, 9 and 10)	261,091	459,462	352,815	632,589
Consulting and management expenses	864,951	1,087,389	725,011	2,301,244
General and administrative	904,828	1,904,300	1,290,399	3,246,161
Legal fees	126,198	183,140	411,600	573,842
Salaries and benefits	951,524	1,810,710	1,570,255	3,178,969
Share-based compensation (Notes 12)	-	40,510	324,086	648,731
Transfer agent and filing fees	12,810	40,169	37,012	71,806
<b>Operating Loss</b>	(2,083,041)	(3,639,465)	(3,630,773)	(8,789,666)
<b>Other items</b>				
Foreign exchange gain (loss)	88	(387)	11,458	66,106
Interest (expense) /income	(219,303)	(341,895)	(141,595)	(252,339)
Discount on Warrants expense	-	(43,333)		
Other Loss	(13)	(13)		
Other income	46,683	46,683	7,108	11,680
	(172,545)	(338,945)	(123,029)	(174,553)
<b>Net loss</b>	\$ (2,255,586)	\$ (3,978,410)	\$ (3,753,802)	\$ (8,964,219)
<b>Net loss attributable to;</b>				
Company's Shareholders	(1,939,017)	(3,150,740)	(3,074,625)	(7,585,212)
Non-controlling interests (Restated)	(316,569)	(827,670)	(679,177)	(1,379,007)
<b>Net Loss</b>	(2,255,586)	(3,978,410)	(3,753,802)	(8,964,219)
Exchange difference on translating foreign operations	(1,437,952)	(2,132,726)	651,086	474,569
<b>Net loss and comprehensive loss</b>	\$ (3,693,538)	\$ (6,111,136)	\$ (3,102,716)	\$ (8,489,650)
<b>Basic and diluted loss per share</b> (Note 12)	\$ (0.01)	\$ (0.22)	\$ (3.4)	\$ (8.9)
<b>Weighted average number of common shares outstanding - basic and diluted</b>	21,852,477	18,158,593	992,306	1,004,331

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

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# PlantX Life Inc.

## Condensed Interim Consolidated Statements of Cash Flows For the six months ended September 30 30, 2023 and 2022 (Expressed in Canadian Dollars)

	2023	2022
<b>Operating activities</b>		
Net loss for the year	(3,978,410)	(8,964,219)
Items not involving cash:		
Share-based compensation	40,510	648,731
Shares issued for services	-	280,935
Depreciation	459,462	501,594
Amortization of intangible assets	-	130,996
Interest expense	107,761	219,693
Net changes in non-cash working capital:		
Receivables	102,000	(578,479)
Inventories	152,993	
Prepaid and deposits	(19,651)	(486,430)
Other assets	924	192,127
Accounts payable and other liabilities	3,907,091	3,391,800
Unearned revenue	(598)	-
Other liabilities	94,975	(3,018)
Due from (to) related parties	45,213	266,132
<b>Net cash inflow / (used) in operating activities</b>	<b>912,270</b>	<b>(4,400,138)</b>
<b>Investing activities</b>	<b>-</b>	<b>(6,535)</b>
Addition of right of use of asset	(388,558)	-
Addition of property, plant, and equipment	-	(286,273)
<b>Net cash used in investing activities</b>	<b>(388,558)</b>	<b>(292,808)</b>
<b>Financing activities</b>		
Proceeds from loans	2,766,159	3,683,247
Payment of lease liability	(507,680)	(584,804)
<b>Net cash inflow / (used) by financing activities</b>	<b>2,258,479</b>	<b>3,098,443</b>
Effect of foreign exchange on cash and cash equivalents	(2,046,902)	474,569
<b>Net change in cash</b>	<b>735,289</b>	<b>(1,119,934)</b>
<b>Cash, beginning</b>	<b>159,157</b>	<b>1,290,382</b>
<b>Cash, ending</b>	<b>894,446</b>	<b>170,448</b>

	2023	2022
<b>Supplemental disclosure:</b>		
Shares issued for Little West acquisition		636,842
Shares issued for EH and Portfolio Coffee acquisition		159,814
Shares issued for Peter Rubi		337,692
Shares issued for vested RSU and PSU	409	
Share issued for services		280,935
Shares issued – (conversion of debt)	1,213,168	
Share based Compensation	35,325	648,731

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

# PlantX Life Inc.

## Condensed Interim Consolidated Statements of Changes in Shareholders' (Deficit) Equity (Expressed in Canadian Dollars)

	Common Share Capital			Contributed Surplus	Accumulated Other Comprehensive Income	Accumulated Deficit-Restated	Non-controlling interest-Restated	Total
	Number of Shares	Amount	Obligation to issue shares					
<b>Balance, March 31, 2022 (Restated)</b>	<b>966,819</b>	<b>\$ 53,183,365</b>	<b>\$ 1,342,374</b>	<b>\$ 27,124,555</b>	<b>\$ 258,540</b>	<b>\$ (76,814,740)</b>	<b>\$ (6,094,699)</b>	<b>\$ (1,000,605)</b>
Shares issued for vested RSU and PSU (Note 12)	3,625	1,926,000	-	(1,926,000)	-	-	-	-
Shares issued for acquisition of Little West (Notes 12)	6,244	636,842	(636,842)	-	-	-	-	-
Warrants Exercise	18,857	528,000	-	(528,000)	-	-	-	-
Shares issued for acquisition of EH Coffee and Portfolio Coffee	1,827	159,814	(159,814)	-	-	-	-	-
Shares issued for acquisition of Peter Rubi	6,892	337,692	(337,692)	-	-	-	-	-
Shares issued for services	571	280,935	-	-	-	-	-	280,935
Share-based compensation	-	-	-	648,731	-	-	-	648,731
Non-controlling interests	-	-	-	-	-	-	-	-
Net loss of the period	-	-	-	-	474,569	(8,285,894)	(678,325)	(8,489,650)
<b>Balance, September 30, 2022 (Restated)</b>	<b>1004,835</b>	<b>\$ 57,052,648</b>	<b>\$ 208,026</b>	<b>\$ 25,319,286</b>	<b>\$ 733,109</b>	<b>\$ (85,100,634)</b>	<b>\$ (6,773,024)</b>	<b>\$ (8,560,589)</b>
<b>Balance, March 31, 2022 (Restated)</b>	<b>966,819</b>	<b>53,183,365</b>	<b>1,342,374</b>	<b>27,124,555</b>	<b>258,540</b>	<b>(76,814,740)</b>	<b>(6,094,699)</b>	<b>(1,000,605)</b>
Shares issued for vested RSU and PSU (Note 12)	10,650	1,935,835	-	(1,935,835)	-	-	-	-
Shares issued for acquisition of Little West (Notes 12)	6,244	636,842	(636,842)	-	-	-	-	-
Warrants Exercise	18,857	528,000	-	(528,000)	-	-	-	-
Shares issued for acquisition of EH Coffee and Portfolio Coffee	1,827	159,814	(159,814)	-	-	-	-	-
Shares issued for acquisition of Peter Rubi	6,892	337,692	(337,692)	-	-	-	-	-
Shares issued for services	31,676	295,884	-	-	-	-	-	295,884
Share-based compensation	-	-	-	274,502	-	-	-	274,502
Fair value movement of Non- controlling put option	-	-	-	248,673	-	-	-	248,673
Discount on warrant	-	-	-	130,745	-	-	-	130,745
Shares issued (conversion of debts)	2,533,493	1,678,653	-	-	-	-	-	1,678,653
Shares issued against Vegan essentials	117,429	750,000	-	-	-	-	-	750,000
Net loss of the period	-	-	-	-	943,879	(19,844,058)	(1,540,598)	(20,440,777)
<b>Balance, March 31, 2023 (Restated)</b>	<b>3,693,887</b>	<b>59,506,085</b>	<b>208,026</b>	<b>25,314,640</b>	<b>1,202,419</b>	<b>(96,658,798)</b>	<b>(7,635,297)</b>	<b>(18,062,925)</b>
Shares issued for vested RSU and PSU (Note 12)	292	409	-	(409)	-	-	-	-
Shares issued (conversion of debts)	24,533,334	1,213,168	-	-	-	-	-	1,213,168
Share-based compensation	135,085	35,325	-	5,185	-	-	-	40,510
Net loss of the period	-	-	-	-	(2,132,726)	(3,150,740)	(827,670)	(6,111,136)
<b>Balance, September 30, 2023 (Restated)</b>	<b>28,362,598</b>	<b>60,754,987</b>	<b>208,026</b>	<b>25,319,416</b>	<b>(930,307)</b>	<b>(99,809,538)</b>	<b>(8,462,967)</b>	<b>(22,920,383)</b>

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

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# PlantX Life Inc.

## Notes to Condensed Interim Consolidated Financial Statements

For the six months ended September 30, 2023 and 2022

(Expressed in Canadian Dollars)

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### 1. Nature of Operations

PlantX Life Inc. ("PlantX" or the "Company") is incorporated under the laws of the province of British Columbia. PlantX was formerly an exploration stage company engaged in the acquisition and exploration of mineral resource properties in Canada.

PlantX is a reporting issuer in the jurisdictions of British Columbia, Alberta and Ontario and lists its Common Shares for trading on the Canadian Securities Exchange ("CSE") under the new symbol "VEGA", on the OTCQB® Venture Market under the symbol "PLTXF" and on the Frankfurt Stock Exchange under the symbol "WNT1".

The head office of the Company is located at 504-100 Park Royal South West Vancouver, BC, V7T 1A2, Canada.

These condensed Interim consolidated financial statements were reviewed and approved by the Board of Directors and authorized for issued on November 29, 2023.

### 2. Going Concern Assumption

These condensed Interim consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern under International Financial Reporting Standards ("IFRS"). The use of these principles under IFRS assumes that the Company will continue in operation for the foreseeable future and will be able to realize assets and discharge its liabilities in the normal course of operations. The Company continues to incur operating losses, which casts significant doubt about the Company's ability to continue as a going concern.

During the six months ended September 30, 2023, the Company's net losses are \$3,978,410 (September 30, 2022, \$8,964,219), cash flow from operations \$912,270 (September 30, 2022; (\$4,400,138)) and the working capital deficit is \$ 15,844,523 (March 31, 2023: \$10,234,752).

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of uncertainties related to events or conditions that cast significant doubt upon its ability to continue as a going concern that these uncertainties are material and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business.

Management's current strategy is to control costs while pursuing opportunities within various market sectors. Management recognizes the Company's need to increase its cash reserves if it intends to pursue to its plans and has evaluated its potential sources of funds. Although management intends to assess and act on these options throughout the course of the year, there can be no assurance that the steps management take will be successful.

In the event that existing cash resources and cash flow from operations, together with the proceeds from any future financings are insufficient to cover planned expenditures, management will allocate available resources in such manner as deemed to be in the Company's best interest. This may result in a significant reduction in the scope of existing and planned operations. Accordingly, these condensed Interim consolidated financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore to realize its assets and discharge its liabilities and commitments in other than the normal course of business and amounts different from those in the accompanying condensed Interim consolidated financial statements. These adjustments could be material.

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# PlantX Life Inc.

## Notes to Condensed Interim Consolidated Financial Statements

For the six months ended September 30, 2023 and 2022

(Expressed in Canadian Dollars)

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### 3. Statement of Compliance and Basis of Presentation

#### (a) Basis of presentation and measurement

The policies applied in these condensed Interim consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

These condensed Interim consolidated financial statements of the Company have been prepared based on historical costs, modified where applicable. These restated condensed Interim consolidated financial statements are presented in Canadian dollars.

#### (b) Basis of consolidation

These condensed Interim consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control exists when the Company has power over an investee, exposure or rights, to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the Company's returns.

These condensed Interim consolidated financial statements include the financial statements of the Company and its significant subsidiaries listed in the following table:

Name	Country of incorporation	Functional currency	% equity interest as at September 30,
Vegaste Technologies US Corp. ("Vegaste")	US	U.S Dollar	50.9%
PlantX Living Inc.	Canada	Canadian Dollar	50.9%
Bloombox Club Ltd. ("Bloombox")	United Kingdom	Pound Sterling	100%
Bloombox UG	Germany	Euro	100%
PlantX Living Squamish Inc. ("Score")	Canada	Canadian Dollar	100%
PlantX Israel Ltd. ("Israel")	Israel	Israeli New Shekel	100%
PlantX Lifestyle USA Inc.	US	U.S Dollar	100%
WS West LLC ("Little West LLC")	US	U.S Dollar	50.9%
Plant-Based Deli LLC	US	U.S Dollar	50.9%
New Deli Hillcrest LLC (New Deli)	US	U.S Dollar	100%
PlantX Nevada Holdings LLC	US	U.S Dollar	100%
PlantX UK	United Kingdom	Pound Sterling	100%
EH Coffee Inc. ("EH Coffee")	CAD	Canadian Dollar	26.3%
Portfolio Coffee Inc. ("Portfolio Coffee")	CAD	Canadian Dollar	25%
PlantX Midwest Inc.	US	U.S Dollar	100%
Veg House Holding Inc	US	U.S Dollar	50.9%

All intercompany transactions, balances and any unrealized gains and losses from intercompany transactions are eliminated on consolidation.



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# PlantX Life Inc.

## Notes to Condensed Interim Consolidated Financial Statements

For the six months ended September 30, 2023 and 2022

(Expressed in Canadian Dollars)

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### 4. Significant Accounting Policies

#### (a) Use of estimates and judgments

The preparation of condensed Interim consolidated financial statements require the directors and management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. 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.

The following are the critical estimates and judgments applied by management that most significantly affect the Company's condensed interim consolidated financial statements. Uncertainty about these judgements and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

##### *Measurement of revenue*

Revenue is recognized when the amount of revenue can be measured reliably, the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of products can be estimated reliably. Revenues are presented net of refunds, discounts, and credits.

Deferred revenues are estimated based on the average numbers of days for goods to be delivered to the online customers and are presented as current liability.

##### *Business combinations and contingent consideration*

Management is required to make judgments and estimates when identifying and measuring the fair value of assets acquired and liabilities assumed in a business combination. Management applied the guidance set out in IFRS 3 Business Combinations when determining the recognition of assets acquired and liabilities assumed in connection with the acquisitions of the Company's subsidiary entities.

In certain acquisitions, the Company may include contingent consideration which is subject to the acquired business achieving certain performance targets. At the date of acquisition and at each subsequent reporting period, the Company estimates the future performance of acquired businesses, which are subject to contingent consideration, in order to assess the probability that the acquired business will achieve its performance targets and thus earn its contingent consideration. Any changes in the fair value of the contingent consideration classified as a liability between reporting periods are included in the determination of profit or loss. Changes in fair value arise as a result of various factors, including the estimated probability of the acquired business achieving its earnings targets.

##### *Impairment of goodwill and determination of cash-generating units*

Determining whether goodwill is impaired requires the determination of cash-generating units and an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The determination of cash-generating units requires management's judgment to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

##### *Share-based compensation and warrants*

The option pricing model used to determine the fair value of share-based payments requires various estimates relating to volatility, interest rates, dividend yields and expected life of the options granted. Fair value inputs are subject to market factors as well as internal estimates. The Company considers historic trends together with any new information to

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## PlantX Life Inc.

### Notes to Condensed Interim Consolidated Financial Statements

For the six months ended September 30, 2023 and 2022

(Expressed in Canadian Dollars)

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determine the best estimate of fair value at the date of grant. Separate from the fair value calculation, the Company is required to estimate the expected forfeiture rate of equity-settled share-based payments.

#### *Amortization of intangible assets*

The Company applies the straight-line method to recognize amortization of intangible assets. Management is satisfied that the straight-line method best reflects the pattern in which the assets' future economic benefits are expected to be consumed by the Company.

#### *Going concern*

Assessing the Company's ability to continue as a going concern requires management to estimate future cash flows and other future events, the outcome of which is uncertain.

#### *Deferred tax*

The calculation of deferred tax is based on assumptions, which are subject to uncertainty as to timing and which tax rates are expected to apply when temporary differences reverse. Deferred tax recorded is also subject to uncertainty regarding the magnitude of non-capital losses available for carry forward and of the balances in various tax pools. By their nature, these estimates are subject to measurement uncertainty, and the effect on the condensed Interim consolidated financial statements from changes in such estimates in future periods could be material. Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income.

Deferred tax assets are reviewed at each reporting date and adjusted to the extent that it is no longer probable that the related tax benefit will be realized.

### **(b) Foreign currency translation**

Foreign currency transactions are translated into Canadian dollars using exchange rates in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rate in effect at the measurement date. Non-monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the historical exchange rate or the exchange rate in effect at the measurement date for items recognized at fair value. Gains and losses arising from foreign exchange are included in the restated condensed interim consolidated statements of operations.

The results and financial position of those entities with a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of the statements of financial position; income and expenses are translated at average exchange rates; and
- all resulting exchange differences are recognized in accumulated other comprehensive loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising on translation of foreign operations are recognized in accumulated other comprehensive loss. On disposal of a foreign operation (that is, a disposal of the Company's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation) all exchange differences accumulated in equity in respect of that operation attributable to the equity holders of the Company are reclassified from accumulated other comprehensive income/loss to net income/loss for the period.

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# PlantX Life Inc.

## Notes to Condensed Interim Consolidated Financial Statements

For the six months ended September 30, 2023 and 2022

(Expressed in Canadian Dollars)

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### (c) Financial instruments

IFRS 9 Financial Instruments ("IFRS 9") contains three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVTPL"). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at fair value through profit or loss (irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income or loss.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Financial assets:

#### Recognition and initial measurement

The Company recognizes financial assets when it becomes party to the contractual provisions of the instrument. Financial assets are measured initially at their fair value plus, in the case of financial assets not subsequently measured at fair value through profit or loss, transaction costs that are directly attributable to their acquisition. Transaction costs attributable to the acquisition of financial assets subsequently measured at fair value through profit or loss are expensed in profit or loss when incurred.

#### Classification and subsequent measurement

On initial recognition, financial assets are classified as subsequently measured at amortized cost, FVOCI or FVTPL. The Company determines the classification of its financial assets, together with any embedded derivatives, based on the business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets are classified as follows:

- Amortized cost - Assets that are held for collection of contractual cash flows where those cash flows are solely payments of principal and interest are measured at amortized cost. Interest revenue is calculated using the effective interest method and gains or losses arising from impairment, foreign exchange and derecognition are recognized in profit or loss.
- Fair value through other comprehensive income - Assets that are held for collection of contractual cash flows and for selling the financial assets, and for which the contractual cash flows are solely payments of principal and interest, are measured at fair value through other comprehensive income. Interest income calculated using the effective interest method and gains or losses arising from impairment and foreign exchange are recognized in profit or loss. All other changes in the carrying amount of the financial assets are recognized in other comprehensive income. Upon derecognition, the cumulative gain or loss previously recognized in other comprehensive income is reclassified to profit or loss.
- Mandatorily at fair value through profit or loss - Assets that do not meet the criteria to be measured at amortized cost, or fair value through other comprehensive income, are measured at fair value through profit or loss. All interest income and changes in the financial assets' carrying amount are recognized in profit or loss.

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## PlantX Life Inc.

### Notes to Condensed Interim Consolidated Financial Statements

For the six months ended September 30, 2023 and 2022

(Expressed in Canadian Dollars)

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- Designated at fair value through profit or loss - On initial recognition, the Company may irrevocably designate a financial asset to be measured at fair value through profit or loss in order to eliminate or significantly reduce an accounting mismatch that would otherwise arise from measuring assets or liabilities, or recognizing the gains and losses on them, on different bases. All interest income and changes in the financial assets' carrying amount are recognized in profit or loss.

The Company measures all equity investments at fair value. Changes in fair value are recorded in profit or loss except where the Company has irrevocably elected on initial recognition to present in other comprehensive income the fair value gains and losses of an equity investment that is neither held for trading nor contingent consideration acquired in a business combination. In such cases, the cumulative gains and losses recognized in other comprehensive income are not reclassified to profit or loss on derecognition of the investment.

#### Business model assessment

The Company assesses the objective of its business model for holding a financial asset at a level of aggregation which best reflects the way the business is managed and information is provided to management. Information considered in this assessment includes stated policies and objectives.

#### Contractual cash flow assessment

The cash flows of financial assets are assessed as to whether they are solely payments of principal and interest on the basis of their contractual terms. For this purpose, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money, the credit risk associated with the principal amount outstanding, and other basic lending risks and costs. In performing this assessment, the Company considers factors that would alter the timing and amount of cash flows such as prepayment and extension features, terms that might limit the Company's claim to cash flows, and any features that modify consideration for the time value of money.

#### Impairment

The Company recognizes a loss allowance for the expected credit losses associated with its financial assets, other than financial assets measured at fair value through profit or loss. Expected credit losses are measured to reflect a probability weighted amount, the time value of money, and reasonable and supportable information regarding past events, current conditions and forecasts of future economic conditions.

The Company applies the simplified approach for trade receivables. Using the simplified approach, the Company records a loss allowance equal to the expected credit losses resulting from all possible default events over the assets contractual lifetime.

The Company assesses whether a financial asset is credit-impaired at the reporting date. Regular indicators that a financial instrument is credit-impaired include significant financial difficulties as evidenced through borrowing patterns or observed balances in other accounts and breaches of borrowing contracts such as default events or breaches of borrowing covenants. For financial assets assessed as credit-impaired at the reporting date, the Company continues to recognize a loss allowance equal to lifetime expected credit losses.

For financial assets measured at amortized cost, loss allowances for expected credit losses are presented in the condensed interim consolidated statements of financial position as a deduction from the gross carrying amount of the financial asset.

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## **PlantX Life Inc.**

### **Notes to Condensed Interim Consolidated Financial Statements**

**For the six months ended September 30, 2023 and 2022**

**(Expressed in Canadian Dollars)**

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Financial assets are written off when the Company has no reasonable expectations of recovering all or any portion thereof.

#### Derecognition of financial assets

The Company derecognizes a financial asset when its contractual rights to the cash flows from the financial asset expire, or the financial asset has been transferred under particular circumstances.

For this purpose, a financial asset is transferred if the Company either:

- Transfers the right to receive the contractual cash flows of the financial asset, or;
- Retains the right to receive the contractual cash flows of the financial asset but assumes an obligation to pay received cash flows in full to one or more third parties without material delay and is prohibited from further selling or transferring the financial asset.

Transferred financial assets are evaluated to determine the extent to which the Company retains the risks and rewards of ownership. When the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, it evaluates whether it has retained control of the financial asset.

Where substantially all risks and rewards of ownership have been transferred, or risks and rewards have neither been transferred nor retained and control of the financial asset has not been retained, the Company derecognizes the financial asset. At the same time, the Company separately recognizes as assets or liabilities the fair value of any rights and obligations created or retained in the transfer. Any difference between the carrying amount measured at the date of recognition and the consideration received is recognized in profit or loss.

Financial liabilities:

#### Recognition and initial measurement

The Company recognizes a financial liability when it becomes party to the contractual provisions of the instrument. At initial recognition, the Company measures financial liabilities at their fair value plus transaction costs that are directly attributable to their issuance, with the exception of financial liabilities subsequently measured at fair value through profit or loss for which transaction costs are immediately recorded in profit or loss.

Where an instrument contains both a liability and equity component, these components are recognized separately based on the substance of the instrument, with the liability component measured initially at fair value and the equity component assigned the residual amount.

#### Classification and subsequent measurement

Subsequent to initial recognition, all financial liabilities, except for financial liabilities subsequently measured at fair value through profit or loss, are measured at amortized cost using the effective interest rate method. Interest, gains and losses relating to a financial liability are recognized in profit or loss.

#### Derecognition of financial liabilities

The Company derecognizes a financial liability only when its contractual obligations are discharged, cancelled or expire.

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## PlantX Life Inc.

### Notes to Condensed Interim Consolidated Financial Statements

For the six months ended September 30, 2023 and 2022

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#### Classification of financial instruments

The following table summarizes the classification of the Company's financial instruments:

<u>Asset / liability</u>	<u>Classification under IFRS 9</u>
Cash	FVTPL
Receivable	Amortised cost
Sales taxes recoverable	Amortised cost
Prepays and deposits	Amortised cost
Accounts payable and accrued liabilities	Amortised Cost
Contingent consideration	FVTPL
Non-controlling interest put option	Amortised Cost
Loans	Amortised Cost
Lease liability	Amortised Cost

#### **(d) Loss per share**

Basic loss per share is calculated by dividing the net loss attributable to common shareholders of the Company by the weighted average number of Common Shares outstanding during the period. Diluted earnings per share is determined by adjusting the weighted average number of Common Shares outstanding for the effects of dilutive instruments such as options granted to employees. The effects of anti-dilutive potential units are ignored in calculating diluted earnings per share. All options and warrants are considered anti-dilutive when the Company is in a loss position.

#### **(e) Intangible assets**

The Company's intangible assets consist of a finite life intangible asset that is recorded at cost less accumulated depreciation and accumulated impairment losses. Finite life intangible assets are amortized once they are available for use on a straight-line basis over their estimated useful lives. The Company's intangible assets are amortized as follows:

- Website – 4 years
- Customer list – 3 years
- Trade name – 4 years

#### **(f) Impairment of non-financial assets**

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

For the purpose of testing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating unit, or "CGU"). An impairment loss is recognized for the amount, if any, by which an assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets fair value less cost to sell and the value in use (being the present value of expected future cash flows of the asset or CGU). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the lesser of the revised estimate of recoverable amount and the carrying amount that would have been recorded had no impairment loss been previously recognized, with the exception of goodwill.

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# PlantX Life Inc.

## Notes to Condensed Interim Consolidated Financial Statements

For the six months ended September 30, 2023 and 2022

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### (g) Share capital

Common Shares are classified as equity. Transaction costs directly attributable to the issue of Common Shares are recognized as a deduction from equity, net of any tax effects.

### (h) Warrants

When the Company issues units that are comprised of a combination of shares and warrants, the value is assigned to shares and warrants based on their relative fair values. The fair value of the shares is determined by the closing price on the date of the transaction and the fair value of the warrants is determined based on the Black-Scholes Option Pricing Model.

### (i) Share-based compensation

The Company grants stock options to directors, officers, employees and consultants. Share-based compensation is measured on the grant date at the fair value of equity instruments issued, using the Black-Scholes Option Pricing Model and is recognized over the vesting periods. A corresponding increase in share-based payment reserve is recorded when stock options are expensed. When stock options are exercised, share capital is credited by the sum of the consideration paid and the related portion of share-based compensation previously recorded in contributed surplus. Share-based compensation arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity settled share-based payment transactions and measured at the fair value of goods or services received. If the fair value of the goods or services received cannot be estimated reliably, the share-based payment transaction is measured at the fair value of the equity instruments granted at the date the Company receives the goods or the services.

### (j) Business combinations

Judgment is used in determining whether an acquisition is a business combination or an asset acquisition. In determining the allocation of the purchase price in a business combination, including any acquisition-related contingent consideration, estimates including market based and appraisal values are used. The contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with IFRS 9 *Financial Instruments*, or IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognized in profit or loss.

The Company measures all assets acquired and liabilities assumed at their acquisition-date fair values. Acquisition-related costs are recognized as expenses in the periods in which the costs are incurred and the services are received (except for the costs to issue debt or equity securities which are recognized according to specific requirements). The excess of the aggregate of (a) the consideration transferred to obtain control, over (b) the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed, is recognized as goodwill as of the acquisition date.

### (k) 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, in the countries where the Company operates and generates taxable income.

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## PlantX Life Inc.

### Notes to Condensed Interim Consolidated Financial Statements

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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 profit or 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 balance sheet 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 profit 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.

## (I) Revenue

The Company adopted all requirements of IFRS 15 Revenue from Contracts with Customers ("IFRS 15") on incorporation at October 11, 2019. IFRS 15 utilizes a framework for entities to follow to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

The IFRS 15 model contains the following five-step contract-based analysis of transactions guiding revenue recognition:

1. Identify the contract with a customer;
2. Identify the performance obligation(s) in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligation(s) in the contract; and
5. Recognize revenue when or as the Company satisfies the performance obligation(s).

Revenue comprises the fair value of consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities. Revenue is shown net of returns and discounts. Revenue is measured based on the consideration specified in a contract with a customer. The Company recognizes revenue when it transfers control over a good or service to a customer.

The Company operates websites where customers can purchase plant-based food and beverage products from various suppliers and also distributes these products through wholesale arrangements. The Company also offers household plants, cosmetics and plant-based pet food on the same platform. The Company's primary sources of revenue are sales made through its website, wholesale arrangements and sales made directly to restaurants and grocery stores.

For retail and wholesale arrangements, revenue is recognized immediately upon providing the customer with the product.

The Company transfers control and satisfies its performance obligation when the plant-based food and beverage products are delivered and accepted by its customers.



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## **PlantX Life Inc.**

### **Notes to Condensed Interim Consolidated Financial Statements**

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#### **(m) Leases**

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives received.

The right-of-use assets are depreciated to the earlier of the end of the useful life of the right-of-use asset or the lease term using the straight-line method. The lease term includes periods covered by an option to extend if the Company is reasonably certain to exercise that option. In addition, the right-of-use asset can be periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate.

Short-term lease payments, payments for leases of low-value assets and variable lease payments not included in the measurement of lease liabilities are recognized in profit or loss as incurred.

#### **(n) Future accounting pronouncements**

There are no other IFRS or International Financial Reporting Interpretations Committee interpretation that are not yet effective that are expected to have a material impact on the Company's condensed interim consolidated financial statements.

#### **(o) Inventory**

Inventories are measured at the lower of cost and net realizable value ("NRV"). Cost is determined using FIFO ("First In First Out"), and includes all costs of purchases and all other costs incurred in bringing inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. When there is a decline in the price of an item which indicates that the cost is higher than the NRV, a provision for inventories is established and an expense is recognized in the period in which the write-down occurs. A provision for impairment involves significant management judgment and includes the review of inventory aging and an assessment of cost recoverability.

Inventory consisted of mainly finished goods as at September 30, 2023, and 2022.

#### **(p) Goodwill**

Goodwill represents the excess of the purchase price paid for the acquisition of subsidiaries over the fair value of the net tangible and intangible assets acquired. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

#### **(q) Property and equipment**

Property and equipment are recorded at cost, net of accumulated depreciation and accumulated impairment losses (if any) Cost includes all expenditure incurred to bring the assets to the location and condition necessary for them to be operated in the manner intended by management.

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## PlantX Life Inc.

### Notes to Condensed Interim Consolidated Financial Statements

For the six months ended September 30, 2023 and 2022

(Expressed in Canadian Dollars)

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Depreciation is calculated using the following terms and methods:

- Office Equipment 2-5 Years Straight -Line
- Machinery and Equipment 2-5 Years Straight -Line
- Furniture and Fixtures 2-5 Years Straight -Line
- Truck 3-5 Years Straight -Line
- Building improvements 2-5 Years Straight -Line or lease terms whichever is less

An item of equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the assets (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in the profit and loss in the year the assets is derecognized. The assets residual values and useful lives are reviewed and adjusted prospectively if appropriate.

#### (r) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the management and decision makers. The Company evaluates segment performance on the basis of its results, as reported to internal management, on a periodic basis.

The Company Identifies the following as the reportable segments:

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Vegaste Technologies US Corp. ("Vegaste")  
PlantX Living Inc.  
Bloombox Club Ltd. ("Bloombox") and Bloombox UG  
PlantX Living Squamish Inc. ("Score")  
WS West LLC ("Little West LLC")  
Plant-Based Deli LLC  
PlantX Nevada Holdings LLC  
PlantX UK  
EH Coffee Inc. ("EH Coffee") and Portfolio Coffee Inc  
PlantX Midwest Inc.  
Veg House Holdings Inc

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## 5. Risk Management and Financial Instruments

The Company's financial instruments consist of cash, trade receivable, accounts payable and accrued liabilities, loans payable, due to and from related parties. Fair value of financial assets and liabilities, information related to risk management positions and discussion of risks associated with financial assets and liabilities are presented as follows:

#### Fair value

IFRS 13 establishes a fair value hierarchy that reflects the significance of inputs used in making fair value measurements as follows:

Level 1 quoted prices 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. from derived prices); and

Level 3 inputs for the asset or liability that are not based upon observable market data.

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## **PlantX Life Inc.**

### **Notes to Condensed Interim Consolidated Financial Statements**

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As at September 30, 2023, the fair value of cash was determined using level 1 inputs. Contingent consideration is accounted for at FVTPL as a Level 3 fair value measurement, and is revalued at each reporting period. The fair value is determined by estimating the expected earnout and redemption amount that will ultimately be payable.

#### **Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. The Company's primary exposure to credit risk is in its cash accounts and trade receivable. The Company manages credit risk, in respect of cash, by placing cash at major Canadian financial institutions. Accounts receivable mainly consists of receivables from its customers.

#### **Liquidity risk**

Liquidity risk is the risk that the Company may encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash, another financial asset or equity instrument. Liquidity risk is managed by maintaining appropriate levels of cash and cash equivalents. The Company also manages liquidity risk by continuously monitoring actual and projected cash flows. To the extent the Company does not believe it has sufficient liquidity to meet its obligations, it will consider generating funds from additional sources of financing or other strategic alternatives. The Company's liquidity may be adversely affected if its access to the capital and debt markets is hindered, whether as a result of a downturn in general market conditions, or as a result of conditions specific to the Company. If any of these events were to occur, they could adversely affect the financial performance of the Company.

At September 30, 2023, the Company had a cash balance of \$894,446 (March 31, 2023: \$159,157) and current liabilities of \$18,126,046 (March 31, 2023: \$12,017,252).

#### **Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on capital. As at September 30, 2023, market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

##### **Currency risk:**

The Company is party to financial instruments or enters into transactions that are denominated in currencies other than its functional currency. Consequently, the Company is exposed to translation risk in which other foreign currencies change in a manner that has an adverse effect on the value of the Company's assets or liabilities denominated in its operational currency. This risk is mitigated by timely payment of creditors and monitoring of foreign exchange fluctuations by management. The Company does not hedge against movements in foreign currency exchange rates.

##### **Interest rate risk:**

Interest rate risk refers to the risk of loss due to adverse movements in interest rates. Interest rate risk consists of a) the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, and b) to the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities. Interest rate risk on the loan is limited due to the fact that it has a fixed rate's of interest.

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## PlantX Life Inc.

### Notes to Condensed Interim Consolidated Financial Statements

For the six months ended September 30, 2023 and 2022

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Other price risk:

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices, other than those arising from interest rate risk or currency risk. The Company's exposure to other price risks is not significant.

### Capital Risk Management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern. The Company considers the items included in shareholders' equity as capital. The Company's primary source of capital comes from the issuance of capital stock.

The Company manages and adjusts its capital structure when changes in economic conditions occur. To maintain or adjust the capital structure, the Company may seek to additional funding through issuance of new shares or new debt. The Company may require additional capital resources to meet its administrative overhead expenses in the long term. The Company believes it will be able to raise capital as required in the long-term but recognizes there will be risks involved that may be beyond its control. The Company is not subject to external capital requirements and there were no changes to the Company approach to the management of capital.

### 6. Prepaid and Deposits

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	<b>September 30, 2023</b>		March 31, 2023
Insurance	\$ 2,117	\$	3,086
Office	14,769		5,488
Advertising and promotion	8,258		5,004
Consulting	1,291		-
Rent	8,471		1,677
Deposits	40,000		40,000
	<b>\$ 74,906</b>	<b>\$</b>	<b>55,255</b>

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### 7. Accounts Payable and Accrued Liabilities

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	<b>September 30, 2023</b>		March 31, 2023
Accounts payable	\$ 10,675,764	\$	6,846,010
Accrued liabilities	1,836,243		1,758,906
	<b>\$ 12,512,007</b>	<b>\$</b>	<b>8,604,916</b>

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## PlantX Life Inc.

### Notes to Condensed Interim Consolidated Financial Statements

For the six months ended September 30, 2023 and 2022

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#### 8. Intangible Assets and Goodwill

Intangible assets	Website	Customer Relationship	Trade Name	Total
Cost:				
As at March 31, 2022	\$ 357,721	\$ 148,583	\$ 752,283	\$ 1,258,587
Forex	10,986	-	-	10,986
Additions	915,397	-	-	915,397
Disposal/ Impairment	-	-	(1,631)	(1,631)
As at March 31, 2023	\$ 1,284,104	\$ 148,583	\$ 750,652	\$ 2,183,339
Forex	(63,850)	-	2	(63,848)
Additions /(Disposal)	-	-	-	-
As at September 30, 2023	\$ 1,220,254	\$ 148,583	\$ 750,654	\$ 2,119,491
Amortization:				
As at March 31, 2022	\$ (122,542)	\$ (148,583)	\$ (252,784)	\$ (523,909)
Charge for the period	(490,700)	-	(188,138)	(678,838)
FX translation	7,017	-	-	7,017
As at March 31, 2023	\$ (606,225)	\$ (148,583)	\$ (440,922)	\$ (1,195,730)
Forex	82,082	-	-	82,082
Disposal	-	-	-	-
Charge for the period	(14,503)	-	(32,890)	(47,393)
As at September 30, 2023	(538,646)	\$ (148,583)	(473,812)	(1,161,041)
Net book value:				
As at March 31, 2023	\$ 677,879	\$ -	\$ 309,730	\$ 987,609
As at September 30, 2023	\$ 681,608	\$ -	\$ 276,842	\$ 958,450

#### 9. Right-of-Use Assets and Liabilities

The following is the continuity of lease liabilities as at and for the years ended September 30, 2023:

Right-of-use asset:	
Balance, March 31, 2022	\$ 6,307,619
Addition	91,263
Depreciation	(1,408,420)
Forex	(346,890)
Balance, March 31, 2023	4,643,572
Forex	(103,184)
Depreciation	(290,405)
Balance, September 30, 2023	\$ 4,249,983

## PlantX Life Inc.

### Notes to Condensed Interim Consolidated Financial Statements

For the six months ended September 30, 2023 and 2022

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#### Lease liability:

Balance, March 31, 2022	\$	6,978,498
Addition		73,169
Accrued interest		431,043
Payment		(974,720)
Forex		501,127
<b>Balance, March 31, 2023</b>		<b>(7,009,117)</b>
Less: current portion		(637,426)
<b>Non-current portion</b>	<b>\$</b>	<b>(6,371,691)</b>
Balance, March 31, 2023	\$	7,009,117
Accrued interest		107,761
Payment		(507,680)
Forex		(5,917)
<b>Balance, September 30, 2023</b>		<b>(6,603,281)</b>
Less: current portion		(636,054)
<b>Non-current portion</b>	<b>\$</b>	<b>(5,967,227)</b>

#### 10. Property and Equipment

	Office Equipment	Machinery and Equipment	Furniture and Fixtures	Building Improvements	Total
Cost:					
Balance, March 31, 2022 10.1	\$ 889,134	\$ 765,797	\$ 132,754	\$ 564,337	\$ 2,352,022
Additions / (Disposal)	(19,447)	116,524	55,985	(54,728)	98,333
FX translation	291	29,233	1,361	15,437	46,322
Balance, March 31, 2023	\$ 869,978	\$ 911,554	\$ 190,100	\$ 525,046	\$ 2,496,678
Additions / (Disposal)	\$ 59,159.00	\$ 317,345	\$ ( 50,276)	\$ 62,330	\$ 388,558
FX translation	(3)	(528)	(66)	(275)	(872)
Balance, September 30, 2023	\$ 929,134	\$ 1,228,371	\$ 139,758	\$ 587,101	\$ 2,884,364
Amortization:					
Balance, March 31, 2022	\$ (428,549)	\$ (190,757)	\$ (25,036)	\$ (218,955)	\$ (863,297)
Charge for the year	(433,831)	(714,496)	(50,030)	(294,242)	(1,492,599)
Balance, March 31, 2023	\$ (862,380)	\$ (905,253)	\$ (75,066)	\$ (513,197)	\$ (2,355,896)
Charge for the period	\$ (39,632)	\$ (16,867)	\$ (9,473)	\$ (55,692)	\$ (121,664)
Balance, September 30, 2023	\$ (902,012)	\$ (922,120)	\$ (84,539)	\$ (568,889)	\$ (2,477,560)
Net book value:					
Balance, March 31, 2023	\$ 7,598	\$ 6,301	\$ 115,034	\$ 11,849	\$ 140,782
Balance, September 30, 2023	\$ 27,122	\$ 306,251	\$ 55,219	\$ 18,212	\$ 406,804

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# PlantX Life Inc.

## Notes to Condensed Interim Consolidated Financial Statements

For the six months ended September 30, 2023 and 2022

(Expressed in Canadian Dollars)

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### 11. Related Party Transactions

Related parties include key management personnel and the entities controlled or directed by key management personnel. Key management personnel include Board of Directors and key executives of the Company together with certain individuals responsible for outsourced services who in the opinion of the Company have satisfied relevant criteria to be considered, key management personnel under applicable accounting standards based on the information available as of the date of issuance of these condensed interim consolidated financial statements. Key management compensation are as follows:

### 12. Share Capital and Reserves

#### Share capital

The Company's authorized share capital consists of:

- an unlimited number of Common Shares without par value; and
- an unlimited number of preferred shares without special rights or restrictions attached.

As at September 30, 2023, the Company had 28,362,598 (September 30, 2022, 1,004,835) Common Shares outstanding.

During the six month ended September 30, 2023, the Company issued 292 Common Shares for vested PSU and RSU's to certain directors, officers, employees, and consultants of the Company pursuant to the terms and conditions of the Company's PSU and RSU Plan.

During the six month ended September 30, 2023, the Company issued a total of 24,533,334 Common Shares in accordance with the terms of the convertible loan agreement.

During the six month ended September 30, 2023, the Company issued a total of 135,085 Common Shares in accordance with the terms of the share based compensation.

On June 10, 2022, the Company issued a total of 6,892 Common Shares in accordance with the terms of the acquisition agreement with Peter Rubi

On June 13, 2022, the Company issued a total of 6,243 Common Shares in accordance with the terms of the acquisition agreement with Little West.

On June 13, 2022, the Company issued a total of 913 Common Shares in accordance with the terms of the acquisition agreement with EH Coffee and Portfolio Coffee.

On August 10, 2022, the Company issued a total of 913 Common Shares in accordance with the terms of the acquisition agreement with EH Coffee and Portfolio Coffee.

Effective September 27, 2022, the Board of Directors of the Company have approved to consolidated the Common Shares of the Company on the 20 for (1) one basis., accordingly share capital, options and warrants have been adjusted thereto.

During the year ended March 31, 2023, the Company issued 31,676 Common Shares to certain consultants of the Company for services rendered in accordance with the terms of their respective consulting agreements with the Company. During the year ended March 31, 2023, 18,857 warrants were exercised.

On October 14, 2022, the Company completed the acquisition of the online domain [www.veganessentials.com](http://www.veganessentials.com) for an aggregate purchase price of \$893,000. The purchase price was satisfied by: (i) \$143,000 cash; and (ii) an aggregate of 117,429 Common Shares.

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## **PlantX Life Inc.**

### **Notes to Condensed Interim Consolidated Financial Statements**

**For the six months ended September 30, 2023 and 2022**

**(Expressed in Canadian Dollars)**

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During the year ended March 31, 2023, the Company issued 10,650 Common Shares for vested PSU and RSU's to certain directors, officers, employees, and consultants of the Company pursuant to the terms and conditions of the Company's PSU and RSU Plan.

During the three months ended March 31, 2023, the Company issued a total of 2,533,493 Common Shares in accordance with the terms of the convertible loan agreement.

Effective March 31, 2023, the Board of Directors of the Company have approved to condensed interim consolidated the Common Shares of the Company on the 10 for (1) one basis., accordingly share capital, options and warrants have been adjusted thereto.

On April 5, 2021, the Company issued 10,816 Common Shares for vested 4,938 PSU's and 5,878 RSU's to certain directors, officers, employees and consultants of the Company pursuant to terms and conditions of the Company's PSU and RSU Plan. The fair value of Common Shares issued was \$2,376,023.

On May 7, 2021, the Company issued a total of 6,364 Common Shares consideration to acquire Little West.

On May 18, 2021, the Company issued an aggregate of 3,234 Common Shares for a fair value of \$304,047 to certain consultants of the Company at a price of \$94 per common share for services rendered in accordance with the terms of their respective consulting agreements with the Company.

On May 26, 2021, the Company issued a total of 12,580 as consideration in accordance with the terms of the acquisition agreement Plant Based Deli

On June 25, 2021, the Company issued a total of 18,889 as consideration in accordance with the terms of the acquisition agreement LIV Marketplace assets.

On September 16, 2021, the Company issued 14,862 Common Shares to certain directors, officers, employees and consultants of the Company pursuant to terms and conditions of the Company's PSU and RSU Plan. The fair value of Common Shares issued was \$2,976,085.

On September 29, 2021, the Company issued a total of 6,033 Common Shares in accordance with the terms of the acquisition agreement with Little West.

On November 11, 2021, the Company issued a total of 6,033 Common Shares in accordance with the terms of the acquisition agreement with Little West.

On November 12, 2021, the Company issued a total of 913 Common Shares in accordance with the terms of the acquisition agreement with Little West.

On December 15, 2021, the Company issued a total of 3,192 Common Shares for in accordance with the terms of the acquisition agreement with Little West.

On December 16, 2021, the Company issued 9,166 Common Shares to certain directors, officers, employees and consultants of the Company pursuant to terms and conditions of the Company's PSU and RSU Plan. The fair value of Common Shares issued was \$2,177,897.

On January 5, 2022, the Company issued a total of 4,595 Common Shares in accordance with the terms of the acquire agreement with Peter Rubi.

On January 5, 2022, the Company issued 7,082 Common Shares to certain directors, officers, employees and consultants of the Company for services performed. The fair value of Common Shares issued was \$392,924.



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## **PlantX Life Inc.**

### **Notes to Condensed Interim Consolidated Financial Statements**

**For the six months ended September 30, 2023 and 2022**

**(Expressed in Canadian Dollars)**

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On January 31, 2022, the Company issued 18,391 Common Shares to certain directors, officers, employees and consultants of the Company pursuant to terms and conditions of the Company's PSU and RSU Plan. The fair value of Common Shares issued was \$3,474,948.

On February 16, 2022, the Company has completed an oversubscribed non-brokered private placement of 261,488 units of the Company at a price of CAD\$21 per Unit for approximate aggregate gross proceeds of CAD\$5,491,150, net of the share issuance cost of \$350,000.

On February 23, 2022, the Company issued a total of 913 Common Shares in accordance with the terms of the acquisition agreement with EH Coffee and Portfolio Coffee.

On March 15, 2022, the Company issued a total of 6,033 Common Shares in accordance with the terms of the acquisition agreements with Little West .

On March 15, 2022, the Company issued a total of 6,892 Common Shares in accordance with the terms of the acquisition agreements with Peter Rubi.

On March 16, 2022, the Company issued 500 Common Shares to certain directors, officers, employees and consultants of the Company for services performed. The fair value of Common Shares issued was \$16,000.

On March 30, 2022, the Company issued 3,806 Common Shares to certain directors, officers, employees and consultants of the Company pursuant to terms and conditions of the Company's PSU and RSU Plan. The fair value of Common Shares issued was \$299,263.

On March 31, 2022, the Company issued a total of 5,411 Common Shares in accordance with the terms of the acquisition agreement with Little West.

#### **Basic and diluted loss per share**

The calculation of basic and diluted loss per share for the six month ended September 30, 2023 was based on the net loss of \$ (3,978,410) (September 30, 2022 \$ (8,964,219) and the weighted average number of Common Shares outstanding of 18,158,593 (September 30, 2022 – 1,0043,311).

#### **Stock Options, Performance Share Units, and Restricted Share Units**

The Company has a stock option plan in place under which the Board of Directors may grant options to acquire Common Shares of the Company to qualified directors, officers, employees and other service providers. The stock options vest according to the provisions of the individual option agreements approved by the directors' resolutions and have a maximum life of ten years. The plan allows for the issuance of up to 10% of the number of issued and outstanding Common Shares of the Company at any time on a non-diluted basis.

On August 10, 2020, the Company granted 19,810 stock options to the Company's officers, consultants, and advisors. The stock options are exercisable at \$50 for a period of five years until August 10, 2025. 1,500 of the stock options has a vesting term of two years on quarterly basis and 18,301 of the stock options has a vesting term of one year on quarterly basis. The fair value of the stock options was estimated to be \$ \$4,783,534 using the Black-Scholes Option Pricing Model and the following weighted average assumptions: expected life – 5 years; annualized volatility – 145.89%; risk-free interest rate – 0.27%; dividend rate – 0%. The expected volatility is based on historical prices of comparable companies within the same industry due to the lack of historical pricing information for the Company. The Company recognized \$4,105,445 in share-based compensation during the year ended March 31, 2022. During the year ended March 31, 2023, the Company recognized \$414,409 in share-based compensation.

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## **PlantX Life Inc.**

### **Notes to Condensed Interim Consolidated Financial Statements**

**For the six months ended September 30, 2023 and 2022**

**(Expressed in Canadian Dollars)**

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On December 2, 2020, the Company granted 9,075 stock options to the Company's officers, consultants and employees. The stock options are exercisable at a price of \$140 for a period of five years until December 2, 2025. One quarter of the options will vest every six months from the date of grant. The fair value of the stock options was estimated to be \$1,063,850 using the Black-Scholes Option Pricing Model and the following weighted average assumptions: expected life – 5 years; annualized volatility – 124.38%; risk-free interest rate – 0.41%; dividend rate – 0%. The expected volatility is based on historical prices of comparable companies within the same industry due to the lack of historical pricing information for the Company. The Company recognized \$644,911 in share-based compensation during the year ended March 31, 2021. During the year ended March 31, 2022, the Company recognized \$304,540 in share-based compensation.

On December 16, 2020, the Company granted 9,350 stock options to the Company's consultants. The options are exercisable at a price of \$290 for a period of five years until December 16, 2025. One quarter of the options will vest every six months from the date of grant. The fair value of the stock options was estimated to be \$2,250,396 using the Black-Scholes Option Pricing Model and the following weighted average assumptions: expected life – 5 years; annualized volatility – 122.25%; risk-free interest rate – 0.44%; dividend rate – 0%. The expected volatility is based on historical prices of comparable companies within the same industry due to the lack of historical pricing information for the Company. The Company recognized \$1,271,454 in share-based compensation during the year ended March 31, 2021. During the year ended March 31, 2022, the Company recognized \$717,507 in share-based compensation.

The Company has an obligation to issue 50 options to a consultant. The options vest over a period of one year, with one quarter of the aggregate options vesting on each three-month anniversary of the grant date. The options are exercisable at a price of \$330 for a period of 90 days.

The Company has an obligation to issue 30 options to a consultant. The options vest over a period of one year, with one quarter of the aggregate options vesting on each three-month anniversary of the grant date. The options are exercisable at a price of \$304 for a period of 90 days.

The Company has an obligation to issue 4,000 options to a consultant. The options are exercisable at a price of \$224 for a period of 10 years until February 26, 2031. Half of the options will vest on the date of the agreement, February 26, 2021 and the remainder of the options shall vest in equal quarterly installments of 500 each. The fair value of the stock options was estimated to be \$850,599 using the Black-Scholes Option Pricing Model and the following weighted average assumptions: expected life – 10 years; annualized volatility – 122%; risk-free interest rate – 1.17%; dividend rate – 0%. The expected volatility is based on historical prices of comparable companies within the same industry due to the lack of historical pricing information for the Company. The Company recognized \$499,136 in share-based compensation during the year ended March 31, 2021. During the year ended March 31, 2022, the Company recognized \$289,875 in share-based compensation.

As part of a new long-term incentive program to link pay to performance and align the interests of the Company's management, directors, employees with shareholders, the Company also announces that a restricted share unit ("RSU's") plan for eligible officers, directors, employees and consultants, and a performance share unit ("PSU's") plan for eligible employees and consultants were approved by the board of directors.

On December 2, 2020, the Company granted 19,750 PSUs to officers, consultants and employees of the Company. The PSUs have a term of one year and will vest as to one third every four months from the date of grant, subject to the achievement of certain performance metrics related to gross sales. The Company recognized \$1,653,483 in share-based compensation during the year ended March 31, 2021. During the year ended March 31, 2022, the Company recognized \$1,111,517 in share-based compensation.

The Company has an obligation to issue 250 PSUs to a consultant of the Company. The PSUs have a term of 180 days and will vest one third every 60-day term from the date of the agreement. The Company recognized \$50,806 in share-based compensation during the year ended March 31, 2021. During the year ended March 31, 2022, the Company recognized \$8,194 in share-based compensation.

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## **PlantX Life Inc.**

### **Notes to Condensed Interim Consolidated Financial Statements**

**For the six months ended September 30, 2023 and 2022**

**(Expressed in Canadian Dollars)**

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On December 2, 2020, the Company granted 2,750 RSUs to directors of the Company. The RSUs have a term of one year of which one quarter of the RSUs will vest every six months from the date of grant. The Company recognized \$232,365 in share-based compensation during the year ended March 31, 2021. During the year ended March 31, 2022, the Company recognized \$152,635 in share-based compensation.

On December 17, 2020, the Company granted 20,765 RSUs to directors, officers and consultants of the Company. The RSUs have a term of one year, of which one-quarter of the restricted share units will vest every six months from the date of grant. The Company recognized \$3,551,814 share-based compensation for the RSU vested during the year ended March 31, 2021. During the year ended March 31, 2022, the Company recognized \$2,802,276 in share-based compensation.

The Company has an obligation to issue 150 RSUs to a consultant of the Company. The RSUs have a term of one year and will vest one quarter every 3 months from the date of the agreement. The Company recognized \$22,145 in share-based compensation during the year ended March 31, 2021. During the year ended March 31, 2022, the Company recognized \$21,055 in share-based compensation.

The Company has an obligation to issue 150 RSUs to a consultant of the Company. The RSUs have a term of one year and will vest one quarter every 3 months from the date of the agreement. The Company recognized \$22,064 in share-based compensation during the year ended March 31, 2021. During the year ended March 31, 2022, the Company recognized \$21,136 in share-based compensation.

During the year ended March 31, 2021, the Company issued a total of 1,363 Common Shares related to the exercise of 27,250 options at an exercise price of \$50.

During the year ended March 31, 2021, the Company issued 7,500 Common Shares related to the exercise of 150,000 options at an exercise price of \$20 to a related party of the Company.

On April 5, 2021, the Company granted 19,255 stock options to purchase Common Shares of the Company to certain directors, officers, employees and consultants of the Company. The options are exercisable for a 5-year period at a price of \$160 per common share. One quarter of the options will vest every six months from the date of grant. The fair value of the stock options was estimated to be \$2,064,747 using the Black-Scholes Option Pricing Model and the following weighted average assumptions: expected life – 5 years; annualized volatility – 96.06%; risk-free interest rate – 0.97%; dividend rate – 0%. The expected volatility is based on historical prices of comparable companies within the same industry due to the lack of historical pricing information for the Company. The Company recognized \$2,057,226 in share-based compensation during the year ended March 31, 2022. During the year ended March 31, 2023, the Company recognized \$ 7,169 in share based compensation.

On the same date, the Company also granted 13,636 restricted RSU's to certain directors, officers, employees and consultants of the Company pursuant to terms and conditions of the Company's restricted share unit plan. The RSU's have a term of 1 year, of which a quarter of the RSU's will vest every six months from the date of grant. The Company recognized \$2,038,452 stock-based compensation for the RSU vested during the year ended March 31, 2022. During the year ended March 31, 2023, the Company recognized \$ 7,169 in share based compensation.

On May 26, 2021, the Company granted 500 RSU's to a consultant of the Company pursuant to terms and conditions of the Company's restricted share unit plan. The RSU's have a term of 2 year of the RSU's will vest every monthly from the date of grant. The Company recognized \$24,167 stock-based compensation for the RSU vested during the year ended March 31, 2022. During the year ended March 31, 2023, the Company recognized \$ 29,000 in share based compensation.

During the year ended March 31, 2022, the Company issued 500 Common Shares related to the exercise of 550 options at an exercise price of \$50 to a related party of the Company.

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## PlantX Life Inc.

### Notes to Condensed Interim Consolidated Financial Statements

For the six months ended September 30, 2023 and 2022

(Expressed in Canadian Dollars)

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On September 15, 2021, the Company granted 14,400 RSU's to certain directors, officers, employees and consultants of the Company pursuant to terms and conditions of the Company's restricted share unit plan. The RSU's have a term of 1 year, of which a quarter of the RSU's will vest every six months from the date of grant. The Company recognized \$946,660 stock-based compensation for the RSU vested during the year ended March 31, 2023. During the year ended March 31, 2023, the Company recognized \$ 176,540 in share based compensation.

On September 15, 2021, the Company granted 600 stock options to purchase Common Shares of the Company to certain directors, officers, employees and consultants of the Company. The options are exercisable for a 5-year period at a price of \$84 per common share. One quarter of the options will vest every six months from the date of grant. The fair value of the stock options was estimated to be \$37,139 using the Black-Scholes Option Pricing Model and the following weighted average assumptions: expected life – 5 years; annualized volatility – 105.86%; risk-free interest rate – 0.86%; dividend rate – 0%. The expected volatility is based on historical prices of comparable companies within the same industry due to the lack of historical pricing information for the Company. The Company recognized \$20,045 in share-based compensation during the year ended March 31, 2022. During the year ended March 31, 2023, the Company recognized \$ 31,121 in share based compensation.

On November 2021, the Company granted 500 restricted RSU's to certain directors, officers, employees and consultants of the Company pursuant to terms and conditions of the Company's restricted share unit plan. The RSU's have a term of 1 year, of which a quarter of the RSU's will vest every six months from the date of grant. The Company recognized \$31,378 stock-based compensation for the RSU vested during the year ended March 31, 2022. During the year ended March 31, 2023, the Company recognized \$ 13,622 in share based compensation.

On February 9, 2022, the Company granted 100 restricted RSU's to certain directors, officers, employees and consultants of the Company pursuant to terms and conditions of the Company's restricted share unit plan. The RSU's have a term of 1 year, of which a quarter of the RSU's will vest every six months from the date of grant. The Company recognized \$1,013 stock-based compensation for the RSU vested during the year ended March 31, 2022. During the year ended March 31, 2023, the Company recognized \$ 2,487 in share based compensation.

On February 14, 2022, the Company granted 500 restricted RSU's to certain directors, officers, employees and consultants of the Company pursuant to terms and conditions of the Company's restricted share unit plan. The RSU's have a term of 1 year, of which a quarter of the RSU's will vest every six months from the date of grant. The Company recognized \$2,606 stock-based compensation for the RSU vested during the year ended March 31, 2022. During the year ended March 31, 2023, the Company recognized \$ 7,394 in share based compensation.

A summary of the Company's outstanding stock options as at September 30, 2023 is as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding, March 31, 2022	59603	\$ 132.00
Granted/ Exercised	--	--
Outstanding, March 31, 2023	59,603	\$ 132.00
Granted/ Exercised	--	--
Outstanding, September 30, 2023	59,603	\$ 132.00

\*On August 5, 2020, the Company granted 7,500 replacement stock options to certain directors and officers pursuant to the reverse takeover acquisition with PlantX Living. The stock options are exercisable for Common Shares of the Company at an exercise price of \$20 per share until August 5, 2022. The fair value of the new stock options was estimated to be \$293,949 which is higher than the fair value recognized as of the original issuance of stock options. As a result, the Company recognized an additional \$286,071 in share-based compensation during the Six month ended September 30, 2021 for this amendment. The fair value was determined using the Black-Scholes Option Pricing Model at the amendment date with the following assumptions: share price of \$0.25; expected life – 2 years; annualized volatility–128.15%; risk-free interest rate – 0.23%; dividend rate – 0%.

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**PlantX Life Inc.****Notes to Condensed Interim Consolidated Financial Statements****For the six months ended September 30, 2023 and 2022****(Expressed in Canadian Dollars)**

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A summary of the Company's outstanding PSU's and RSU's as at September 30, 2023 are as follows:

	<b>Number of PSU's</b>
Outstanding, October 11, 2019 (date of incorporation) and June 30, 2020	-
Granted	20,000
Outstanding, March 31, 2021	20,000
Exercised	(4,937)
Exercised	(4,938)
Exercised	(9,875)
Outstanding, March 31, 2022	250
Granted/ Exercised	-
Outstanding, March 31, 2023	250
Granted/ Exercised	-
Outstanding, September 30, 2023	250

  

	<b>Number of RSU's</b>
Outstanding, October 11, 2019 (date of incorporation) and June 30, 2020	-
Granted	23,815
Outstanding, March 31, 2021	23,815
Granted	13,636
Granted	500
Granted	14,400
Granted	500
Granted	100
Granted	500
Exercised	(5,879)
Exercised	(9,925)
Exercised	(83)
Exercised	(104)
Exercised	(63)
Exercised	(9,166)
Exercised	(3,406)
Cancelled	(389)
Cancelled	(100)
Cancelled	(35)
Exercised	(5,191)
Exercised	(38)
Exercised	(3,288)
Exercised	(3,744)
Exercised	(62)
Outstanding, March 31, 2022	11,979
Granted	-
Exercised	(10,650)
Cancelled	(62)
Outstanding, March 31, 2023	1,267
Exercised	-
Outstanding, September 30, 2023	-

During the six month ended September 30, 2023, the Company recognized a total of \$40,510 (September 2022; \$40,510)

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## PlantX Life Inc.

### Notes to Condensed Interim Consolidated Financial Statements

For the six months ended September 30, 2023 and 2022

(Expressed in Canadian Dollars)

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in share-based compensation.

The following summarizes information about stock options outstanding and exercisable at September 30, 2023:

Expiry date	Options outstanding	Options exercisable	Exercise price	Remaining life (years)
August 10, 2025	17,323	16,120	\$ 50.00	2.36
December 2, 2025	9,075	7,587	\$ 140.00	2.68
December 16, 2025	9,350	7,609	\$ 290.00	2.72
February 26, 2031	4,000	2,500	\$ 224.00	9.41
April 5, 2025	19,255	9,478	\$ 160.00	2.02
September 15, 2026	600	600	\$ 84.00	3.46

### Warrants

On August 5, 2020, in connection with the completion of the reverse takeover acquisition, the Company issued 180 finders' warrants out of this 99 were exercised leaving 81 outstanding. The fair value of the warrants was estimated to be \$1,468 using the Black-Scholes Option Pricing Model and the following assumptions: expected life – 2 years; annualized volatility – 132%; risk-free interest rate – 0.23%; dividend rate – 0%.

In connection with the non-brokered private placement on December 16, 2020, the Company issued 104,545 warrants at an exercise price of \$150 per share until December 16, 2022. In the event that the trading price of the Common Shares on the Canadian Securities Exchange (or such other Canadian stock exchange on which the Common Shares are listed for trading) equals or exceeds \$400 per common share for any period of 10 consecutive trading days, then the Company may, at its option, within 10 business days following such 10-day period, accelerate the warrant expiry date by issuing a press release, and, in such case, the warrant expiry date will be deemed to be 5 p.m. PT on the 30th day following the issuance of the warrant acceleration press release. The fair value of the warrants was estimated to be \$4,924,682 using the Black-Scholes Option Pricing Model and the following assumptions: expected life – 2 years; annualized volatility – 100.00%; risk-free interest rate – 0.24%; dividend rate – 0%.

The Company issued an aggregate of 3,874 finders' warrants at an exercise price of \$150 per share until December 16, 2022. The fair value of the warrants was estimated to be \$841,835 using the Black-Scholes Option Pricing Model and the following assumptions: expected life – 2 years; annualized volatility – 129.00%; risk-free interest rate – 1.58%; dividend rate – 0%. In connection with the public offering on March 22, 2021, the Company issued 95,514 warrants at an exercise price of \$250 per share until March 22, 2023. In the event that the trading price of the Common Shares on the CSE (or such other Canadian stock exchange on which the Common Shares are listed for trading) equals or exceeds \$400 per common share for any period of 10 consecutive trading days, the Company shall be entitled, at its option, within 10 business days following such 10-day period, accelerate the warrant expiry date by issuing a press release, and, in such case, the warrants will expire on the 30th day following the issuance of the acceleration notice. From and after the new expiry date specified in such acceleration notice, no warrants may be issued or exercised, and all unexercised warrants shall be void and of no effect following the new expiry date. The fair value of the warrants was estimated to be \$7,505,533 using the Black-Scholes Option Pricing Model and the following assumptions: expected life – 2 years; annualized volatility – 132.21%; risk-free interest rate – 0.27%; dividend rate – 0%.

The Company also granted to the agent an additional of 4,620 finders' warrants exercisable at any time up to March 22, 2023, to purchase Common Shares at a price of \$250 per warrant. The fair value of the finders' warrants was estimated to be \$518,793 using the Black-Scholes Option Pricing Model and the following weighted average assumptions: expected life – 2 years; annualized volatility – 129.00%; risk-free interest rate – 0.27%; dividend rate – 0%. The expected volatility is based on historical prices of comparable companies within the same industry due to the lack of historical pricing information for the Company.

## PlantX Life Inc.

### Notes to Condensed Interim Consolidated Financial Statements For the six months ended September 30, 2023 and 2022 (Expressed in Canadian Dollars)

During the year ended March 31, 2021, the Company issued 99 Common Shares related to the exercise of 99 finders' warrants at an exercise price of \$50. The fair value of the warrants was estimated Using the Black- Scholes Option Pricing Model and the following weighted averages assumptions: expected life – 2 years; annualized volatility – 100.00%; risk-free interest rate – 2.23%; dividend rate – 0%. The expected volatility is based on historical prices of comparable companies within the same industry due to the lack of historical pricing information for the Company

On February 17, 2022, the Company issued 261,483 warrants at an exercise price of \$28.00 and the fair value is estimated to be \$2,800,000. The fair value of the warrants was estimated Using the Black- Scholes Option Pricing Model and the following weighted averages assumptions: expected life – 2 years; annualized volatility – 100.00%; risk-free interest rate – 2.23%; dividend rate – 0%. The expected volatility is based on historical prices of comparable companies within the same industry due to the lack of historical pricing information for the Company.

The Company issued an aggregate of 2,000,000 finders' warrants at an exercise price of \$0.10 per share until August 26, 2022. The fair value of the warrants was estimated to be \$ 130,745 using the Black-Scholes Option Pricing Model and the following assumptions: expected life – 2 years; annualized volatility – 140.62%; risk-free interest rate – 2.59%; dividend rate – 0%. Market Price at any date shall be the weighted average sale price per share for the Shares for the 20 consecutive trading days ending immediately before such date on the Canadian Securities Exchange (or such other stock exchange on which the Shares may then be listed and which forms the primary trading market for the Shares), or, if the Shares or any other security in respect of which a determination of Current Market Price is being made are not listed on any stock exchange, the Market Price shall be determined by the directors of the Company, acting reasonably and in good faith, which determination shall be conclusive. The weighted average price shall be determined by dividing the aggregate sale price of all such shares sold on the said exchange during the said 20 consecutive trading days by the total number of such shares so sold.

A summary of the Company's outstanding warrants as at September 30, 2023 is as follows:

	Number of Warrants	Weighted Average Exercise Price
Outstanding, October 11, 2019 (date of incorporation) and June 30, 2020	208,634	\$ -
Issued	261,583	16.5
Exercised	(99)	18.0
Outstanding, March 31,2022	470,118	16.5
Issued	2,000,000	0.10
Exercised	(18,857)	28.0
Expired	(208,635)	-
Outstanding, March 31,2023	2,242,626	\$ 1.88
Exercised	-	-
Expired	-	-
Outstanding, September 30,2023	2,242,626	\$ 1.88

The following summarizes information about warrants outstanding and exercisable at September 30, 2023:

Expiry date	Warrants outstanding	Exercise price	Remaining life (years)
February 17, 2024	242,626	\$ 2.80	0.91
August 26, 2024	2,000,000	\$ 0.10	1.41

## PlantX Life Inc.

### Notes to Condensed Interim Consolidated Financial Statements For the six months ended September 30, 2023 and 2022 (Expressed in Canadian Dollars)

#### 13. Revenue and Geographic Information

Revenue derived from customers located in the following geographic areas:

	September 30, 2023	September 30, 2022
United States	\$ 2,803,200	\$ 5,207,981
United Kingdom	372,184	715,636
Canada	2,779,564	2,725,695
Others	-	220,267
	\$ 5,954,948	\$ 8,869,579

As at September 30, 2023, the Company recognized unearned revenue of \$159,833 (March 31, 2023 - \$160,431) which represents payments received for products shipped subsequent to the period end.

#### 14. Loans Payable

The Company assumed from the acquisition of Bloombox a £50,000 6-year unsecured UK government loan with no interest for the first 12 months as a result of the acquisition. The loan is payable with 60 monthly installments of £833 starting payments on June 13, 2021. The carrying value of the loan as of September 30, 2023, is \$45,402 (March 31, 2023: \$50,666)

The Company received an advance from YL I Limited for (£155,000) on June 23, 2022, with repayable using a 17% remittance rate based on specified online sales. The carrying value of the loan as of September 30, 2023, is \$ 41,912 (March 31, 2023: 92,938).

During the year ended March 31, 2022, the Company received an aggregate \$60,000 from Canada Emergency Business Account ("CEBA"). The interest-free loan is used to finance operating costs which was offered by the Government of Canada through the Company's bank in response to the COVID-19 pandemic Commencing on January 1, 2024, interest will accrue on the balance of the term of the loan at the rate of 5% fixed interest per year. The carrying value of the loan as of September 30, 2023, is \$40,000 (March 31, 2022: \$40,000.) The loan is used to finance operating costs.

Little West LLC received a loan amounting to USD \$150,000 from Small Business Administration (SBA) @3.75% per annum payable in 30 years. The carrying value of the loan as at September 30, 2023, is \$193,519 (March 31 2023:\$ 187,440). The loan is used to finance operating costs.

The Company acquired an aggregate \$60,000 from Canada Emergency Business Account ("CEBA"). The interest-free loan is used to finance operating costs which was offered by the Government of Canada through the Company's bank in response to the COVID-19 pandemic. Commencing on January 1, 2023, interest will accrue on the balance of the term of the loan at the rate of 5% fixed interest per year. The carrying value of the loan as at September 30, 2023, \$40,000 (March 31, 2022: \$40,000).

The Company received an advance from CTF Clear Finance Technology Inc ("Clearco") for \$501,650 (USD \$395,000) on December 8, 2021, with \$561,340 (USD \$442,000) repayable using a 20% remittance rate based on specified online sales and \$476,250 (USD \$375,000) advances on March 11, 2022, with \$553,400 (USD \$420,000) repayable using 20% remittance rate. In May 2022, the Company received an additional advance from Clearco for \$ 352,000 (USD \$275,000) with \$394,000 (USD \$ 308,000) repayable using a 20% remittance rate. Remittance to Clearco will continue until the total remittance payments equal the repayable amount. The carrying value of the loan as of September 30, 2023, is \$ 487,330 (March 31, 2023: \$488,213).



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## **PlantX Life Inc.**

### **Notes to Condensed Interim Consolidated Financial Statements**

**For the six months ended September 30, 2023 and 2022**

**(Expressed in Canadian Dollars)**

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On April 26, 2022, the Company entered into the Secured Loan Agreement with a lender pursuant to which the Company borrowed a principal amount of \$2,000,000 from the lender, subject to certain terms and conditions. The Loan bears an interest rate of 12.0% per annum, with interest payable semi-annually, and will mature on April 26, 2024. The carrying value of the loan as of September 30, 2023, is \$ 2,000,000 (March 31, 2023: 2,000,000)

On July 25, 2022, the Company obtained debt financing whereby it may borrow a principal amount of up to \$10,000,000 from an arm's length creditor pursuant to the terms and subject to the conditions of a secured convertible promissory note issued to the Holder (the "Convertible Note"). The Convertible Note bear's interest at a rate of 5.0% per annum, payable monthly and matures on May 1, 2025. The holder has the right to convert at its discretion, in whole or in part the outstanding eligible conversion amount into Common Shares at the closing trading price of the Common Shares on the last trading day immediately prior to the delivery of the conversion notice. The conversion price shall not be less than \$0.05 per Common Shares. The carrying value of the loan as of September 30, 2023, is \$6,423,152 (March 31, 2023: 4,927,727)

# PlantX Life Inc. (formerly Vegaste Technologies Corp.)

## Notes to Condensed Interim Consolidated Financial Statements

For the three months ended September 30, 2023 and 2022

(Expressed in Canadian Dollars)

### 15. Segment Information

The operating segments of the Company are identified as Vegaste, PlantX Living Inc, Bloombox, Score (“Squamish”), Little West, Plant-Based Deli, PlantX UK, PlantX Nevada, EH Coffee, Portfolio Coffee and PlantX Midwest, Veg House Holdings Inc. In determining the operating segments, management considered the product mix as well as the geographical segments that the business units sell under. Disclosure by segment pertaining to income statement transactions are for the Six month ended September 30, 2023, and 2022. The asset and liability balances are as at September 30, 2023 and March 31, 2022.

#### Income statement items:

September 30, 2023	PlantX Life	PlantX Living	Vegaste	Bloombox	Squamish	Israel	Little West	Plant Based Deli	PlantX UK	PlantX Nevada	EH & Portfolio Coffee	PlantX Midwest	Veg House Holding	Consolidated
Revenue	\$ -	\$ 66,767	\$ 5,511	\$ 353,675	\$ 2,396,243	\$ -	\$ 1,717,522	\$ 234,942	\$ 18,509	\$ -	\$ 316,553	\$ 835,318	\$ 9,908	\$ 5,954,948
Cost of sales	\$ -	\$ (47,773)	\$ (8,392)	\$ (198,003)	\$ (1,004,498)	\$ -	\$ (1,151,503)	\$ (142,942)	\$ (11,253)	\$ -	\$ (267,513)	\$ (537,596)	\$ (6,934)	\$ (3,376,407)
Gross margin	\$ -	\$ 18,994	\$ (2,881)	\$ 155,672	\$ 1,391,745	\$ -	\$ 566,019	\$ 92,000	\$ 7,256	\$ -	\$ 49,040	\$ 297,722	\$ 2,974	\$ 2,578,541
Net loss before taxes	\$ (1,161,007)	\$ (233,744)	\$ (149,261)	\$ (101,274)	\$ (14,458)	\$ -	\$ (208,860)	\$ (103,895)	\$ (41,794)	\$ -	\$ (60,274)	\$ (1,003,896)	\$ (899,928)	\$ (3,978,410)

September 30, 2022	PlantX Life	PlantX Living	Vegaste	Bloombox	Squamish	Israel	Little West	Plant Based Deli	PlantX UK	PlantX Nevada	EH & Portfolio Coffee	PlantX Midwest	Veg House Holding	Consolidated
Revenue	\$ -	\$ 158,908	\$ 30,591	\$ 711,927	\$ 2,174,330	\$ 220,267	\$ 2,017,552	\$ 437,014	\$ 3,709	\$ -	\$ 226,428	\$ 2,888,853	\$ -	\$ 8,869,579
Cost of sales	\$ -	\$ (112,531)	\$ (19,621)	\$ (469,067)	\$ (854,233)	\$ (18,204)	\$ (1,481,571)	\$ (266,117)	\$ (2,784)	\$ -	\$ (157,798)	\$ (2,160,187)	\$ -	\$ (5,542,113)
Gross margin	\$ -	\$ 46,377	\$ 10,970	\$ 242,860	\$ 1,320,097	\$ 202,063	\$ 535,981	\$ 170,897	\$ 925	\$ -	\$ 68,630	\$ 728,666	\$ -	\$ 3,327,466
Net loss before taxes	\$ (4,677,724)	\$ (307,434)	\$ (258,403)	\$ (505,373)	\$ (3,592)	\$ (322,227)	\$ (522,514)	\$ (187,813)	\$ (132,316)	\$ -	\$ (64,799)	\$ (1,982,023)	\$ -	\$ (8,964,218)

#### Balance Sheet items:

As at September 30, 2023	PlantX Life	PlantX Living	Vegaste	Bloombox	Squamish	Israel	Little West	Plant Based Deli	PlantX UK	PlantX Nevada	EH & Portfolio Coffee	PlantX Midwest	Veg House Holding	Consolidated
Assets	\$ 500,953	\$ 273,689	\$ 15,696	\$ 49,303	\$ 681,169	\$ -	\$ 830,305	\$ 255,559	\$ 39,005	\$ 4,318	\$ 198,650	\$ 4,141,747	\$ 906,366	\$ 7,896,760
Liabilities	\$ (8,964,391)	\$ (1,932,362)	\$ (1,047,242)	\$ (1,875,244)	\$ (883,131)	\$ (1,450,509)	\$ (1,426,391)	\$ (575,478)	\$ (98,501)	\$ (1,017,919)	\$ (244,678)	\$ (6,995,966)	\$ (4,305,331)	\$ (30,817,143)
As at March 31, 2022	PlantX Life	PlantX Living	Vegaste	Bloombox	Squamish	Israel	Little West	Plant Based Deli	PlantX UK	PlantX Nevada	EH & Portfolio Coffee	PlantX Midwest	Veg House Holding	Consolidated
Assets	\$ 703,428	\$ 310,764	\$ 20,829	\$ 97,819	\$ 771,218	\$ -	\$ 851,276	\$ 374,028	\$ 31,303	\$ 4,322	\$ 245,176	\$ 4,144,300	\$ -	\$ 7,554,463
Liabilities	\$ (8,700,935)	\$ (1,880,148)	\$ (1,115,553)	\$ (1,893,223)	\$ (819,500)	\$ (1,450,509)	\$ (1,279,490)	\$ (547,592)	\$ (83,009)	\$ (1,018,790)	\$ (228,441)	\$ (6,600,198)	\$ -	\$ (25,617,388)

## PlantX Life Inc.

Notes to Condensed Interim Consolidated Financial Statements  
For the three months ended September 30, 2023 and 2022  
(Expressed in Canadian Dollars)

### 16. Discontinued Operation

In January 2023, the Company closed its segment in Israel, following a strategic decision to place greater focus on the e-commerce and fulfillment. Subsequent to the year end the company launched it's vegan grocery website in Israel.

Statement of financial position and results of discontinued operation enumerated below

	2023		2023	
	September 30		March 31	
<b>ASSETS</b>				
Cash	\$	-	\$	-
Receivables		-		-
Property and equipment		-		-
Right-of-use asset		-		-
<b>Total assets</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
Accounts payable	\$	1,858,094	\$	1,858,094
Other liability		1,188		1,188
Lease liabilities		248,932		248,932
<b>Total liabilities</b>		<b>2,108,214</b>		<b>2,108,214</b>
<b>Shareholders' (deficit) equity</b>				
Deficit		(2,108,214)		(2,108,214)
<b>Total shareholder's (deficit) equity</b>		<b>(2,108,214)</b>		<b>(2,108,214)</b>
<b>Total liabilities and shareholders' (deficit)</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>

## PlantX Life Inc.

Notes to Condensed Interim Consolidated Financial Statements  
For the three months ended September 30, 2023 and 2022  
(Expressed in Canadian Dollars)

	September 30, 2023	September 30, 2022
<b>Revenue</b>	\$ -	\$ 220,267
<b>Cost of Sales</b>	-	(18,204)
<b>Gross profit</b>	-	202,063
<b>Operating expenses</b>		
Advertising and promotion	-	1,200
Depreciation and amortization	-	95,855
Consulting and management expenses	-	18,000
General and administrative	-	274,516
Assets written off as discontinued operations	-	
Legal fees	-	3,419
Salaries and benefits	-	129,931
<b>Operating loss</b>	-	(320,858)
<b>Other items</b>		
Foreign exchange gain (loss)	-	6,435
Interest (expense) income	-	(7,804)
<b>Net loss</b>	\$ -	\$ (322,227)

### 17. Contingencies and commitments

The Company is one of three parties that has been listed in a claim by the landlord of the San Diego store for breach of a lease in an amount no less than \$750,000 for back rent and other charges due, future rent, and other charges due, together with accrued and accruing pre-judgment interest. The Company is defending this claim and has filed a cross-complaint for \$4,000,000 as a result of not being able to operate in the location.

### 18. Subsequent event

On October 6, 2023 the Company transferred a collection of assets in exchange for 50.9% (as at the time of the closing of the transactions) of the total issued and outstanding shares of Veg House Holdings Inc. As a result, the financial statements have been adjusted to reflect the 50.9% interest in Veg House Holding Inc. These transferred assets encompass wholly owned subsidiaries including Vegaste Technologies US Corp., Little West LLC, Plant Based Deli LLC, and PlantX Living Inc., along with the Company's 53% ownership stake in Portfolio Coffee Inc. and 51% ownership in Eh Coffee Corp.

On October 10, 2023, the Company completed the settlement of a debt transaction by the issuance of 2,000,000 common shares in the capital of the Company at a price per Debt Settlement Share of \$0.05 to settle \$100,000 in outstanding debt.