



**PLANTX LIFE INC.**

**Consolidated Financial Statements**

**For the Year ended March 31, 2024 and 2023**

**(EXPRESSED IN CANADIAN DOLLARS)**



**ABU - F A R A H**  
Professional Corporation

**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors and Shareholders of  
PlantX Life Inc.  
British Columbia, Canada

**Opinion**

We have audited the financial statements of PlantX Life Inc. (the "Company") and its subsidiaries (together the "Group"), which comprise the consolidated statement of financial position as at March 31, 2024 and the consolidated statement of loss and comprehensive loss, consolidated statement of changes in shareholder's deficiency, and consolidated statement of changes in cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2024, and the results of its operations and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

**Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the relevant ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Material Uncertainty Related to Going Concern**

We draw attention to Note 2 to the consolidated financial statements, which describes events or conditions that indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Other than the matter described in the Material Uncertainty Related to Going Concern section, we have determined there are no key audit matters to be communicated in our report.

## **Other Matter**

The consolidated financial statements of PlantX Life Inc. for the year ended March 31, 2023, were audited by another auditor who expressed an unmodified opinion on those statements on July 27, 2023.

## **Other Information**

Management is responsible for the other information, which comprises the information included in the Company's Management Discussion & Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit and also:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

*Abufarah Professional Corporation*

July 29, 2024  
Abu-Farah Professional Corporation  
4230 Sherwoodtowne Blvd.  
Mississauga ON L4Z2G6

# PlantX Life Inc.

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

	March 31 2024	March 31 2023
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 73,937	\$ 159,157
Receivables	66,496	784,227
Prepays and deposits (Note 6)	36,249	55,255
Inventories (Note 4)	18,403	764,755
Other assets	4,599	19,106
	<b>199,684</b>	<b>1,782,500</b>
<b>Non-current assets</b>		
Property and equipment (Note 10)	86,924	140,782
Right-of-use asset (Note 9)	346,763	4,643,572
Investment in Veg house Holding Inc. (Note 16)	1,614,232	-
Intangible assets (Note 8)	-	987,609
<b>Total assets</b>	<b>\$ 2,247,603</b>	<b>\$ 7,554,463</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Note 7)	\$ 5,240,186	\$ 8,604,916
Contingent consideration	-	968,607
Non controlling interest put option	-	276,826
Unearned revenue (Note 13)	148,796	160,431
Due to related party (Note 11)	552,282	521,542
Loans payable (Note 14)	607,558	784,678
Lease liabilities (Note 9)	155,885	637,426
Other liability	2,487	62,826
	<b>6,707,194</b>	<b>12,017,252</b>
<b>Non-current liabilities</b>		
Loans payable (Note 14)	7,404,377	6,927,727
Non controlling interest put option	-	300,718
Lease liabilities (Note 9)	206,121	6,371,691
<b>Total liabilities</b>	<b>14,317,692</b>	<b>25,617,388</b>
<b>Shareholders' (deficit) equity</b>		
Share capital (Note 12)	\$ 61,158,031	\$ 59,506,085
Obligation to issue shares (Note 12)	208,026	208,026
Reserves (Note 12)	25,322,453	26,517,059
Deficit	(98,758,599)	(93,743,889)
<b>Total shareholder's (deficit) equity</b>	<b>(12,070,089)</b>	<b>(7,512,719)</b>
<b>Non-controlling Interest</b>	<b>-</b>	<b>(10,550,206)</b>
<b>Total (deficit) equity</b>	<b>(12,070,089)</b>	<b>(18,062,925)</b>
<b>Total liabilities and shareholders' (deficit)</b>	<b>\$ 2,247,603</b>	<b>\$ 7,554,463</b>

Note 2, "Going Concern"

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

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

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

## PlantX Life Inc.

### Consolidated Statements of Loss and Comprehensive Loss For the Year ended March 31, 2024 and 2023 (Expressed in Canadian Dollars)

	March 31, 2024	March 31, 2023
<b>Revenue</b> (Note 13)	\$ 7,302,666	\$ 13,299,891
<b>Cost of sales</b>	(3,897,245)	(8,211,124)
<b>Gross Profit</b>	\$ 3,405,421	\$ 5,088,767
<b>Operating expenses</b>		
Advertising and promotion	753,685	2,795,328
Amortization (Notes 8, 9 and 10)	365,861	3,579,857
Consulting and management expenses	1,071,191	3,780,924
General and administrative	1,962,031	5,613,914
Share-based compensation (Note 12)	81,008	274,502
Legal fees	743,219	1,299,072
Salaries and benefits	2,314,222	5,192,144
Transfer agent and filing fees	11,557	139,142
<b>Operating Loss</b>	\$ (3,897,353)	\$ (17,586,116)
<b>Other items</b>		
Foreign exchange gain (loss)	(23,533)	10,376
Interest (expense) /income	(583,698)	(780,821)
Discount on Warrants expense	-	(43,333)
Loss on discontinued operation	-	(2,736,258)
Other income/ ( loss ) (Note 16)	(523,748)	(248,504)
	(1,117,357)	(3,798,540)
<b>Net loss</b>	<b>(5,014,710)</b>	<b>\$ (21,384,656)</b>
<b>Net loss attributable to;</b>		
Company's Shareholders	(5,014,710)	(21,264,235)
Non-controlling interests	-	(120,421)
<b>Net Loss</b>	<b>(5,014,710)</b>	<b>(21,384,656)</b>
Exchange difference on translating foreign operations	-	943,879
<b>Net loss and comprehensive loss</b>	<b>\$ (5,014,710)</b>	<b>\$ (20,440,777)</b>
<b>Basic and diluted loss per share</b> (Note 12)	<b>\$ (0.18)</b>	<b>\$ (16.90)</b>
<b>Weighted average number of common shares outstanding</b>		
- basic and diluted	28,134,942	1,258,241

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

# PlantX Life Inc.

## Consolidated Statements of Cash Flows For the Year ended March 31, 2024 and 2023 (Expressed in Canadian Dollars)

	2024		2023	
<b>Operating activities</b>				
Net loss for the year	\$	(5,014,710)	\$	(21,384,656)
Items not involving cash:				
Share-based compensation		81,008		274,502
Shares issued for services		100,000		295,884
Discount on warrants		-		43,333
Depreciation		423,094		2,901,019
Amortization of intangible assets		91,435		678,838
Interest expense		431,043		431,043
Net changes in non-cash working capital:		-		(59,642)
Receivables		717,731		
Inventories		746,352		323,791
Prepaid and deposits		19,006		505,402
Other assets		14,507		(19,106)
Accounts payable and other liabilities		1,352,755		5,539,612
Unearned revenue		(11,635)		8,816
Other liabilities		(60,339)		62,826
Due from (to) related parties		30,739		384,309
<b>Net cash (used) / inflow in operating activities</b>	\$	<b>(1,079,014)</b>	\$	<b>(10,014,029)</b>
<b>Investing activities</b>				
Addition of intangible asset		-		(163,766)
Disposal of shares (see note 16)		3,597,068		-
Addition of right of use of asset		-		(91,263)
Addition of property, plant, and equipment		-		(98,334)
<b>Net cash inflow / (used) in investing activities</b>	\$	<b>3,597,068</b>	\$	<b>(353,363)</b>
<b>Financing activities</b>				
Shares issued for private placement, net of issuance cost		-		-
Proceeds from the exercise of warrants		-		528,000
Loans movement		(1,196,002)		8,410,148
Payment of lease liability		(170,436)		(901,551)
<b>Net cash (used) / inflow in financing activities</b>		<b>(1,366,438)</b>		<b>8,036,597</b>
Effect of foreign exchange on cash and cash equivalents		(1,236,836)		1,199,570
<b>Net change in cash</b>		<b>(85,220)</b>		<b>(1,131,225)</b>
<b>Cash, beginning</b>		<b>159,157</b>		<b>1,290,382</b>
<b>Cash, ending</b>	\$	<b>73,937</b>	\$	<b>159,157</b>

	2024		2023	
<b>Supplemental disclosure:</b>				
Shares issued for Little West acquisition		3,044		
Shares issued for vested RSU and PSU		409		-
Share issued for services		100,000		295,884
Shares Issued for Vegan Essential		-		750,000
Shares issued – (conversion of debt)		1,513,138		1,678,653
Fair value on warrants		-		130,745
Share based compensation		81,008		274,502

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

# PlantX Life Inc.

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

	Common Share Capital		Obligation to issue shares	Contributed Surplus	Accumulated Other Comprehensive Income	Accumulated Deficit	Non-controlling interest	Total
	Number of Shares	Amount						
<b>Balance, March 31, 2022</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>(75,047,233)</b>	<b>(7,862,206)</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	(18,696,656)	(2,688,000)	(20,440,777)
<b>Balance, March 31, 2023</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>(93,743,889)</b>	<b>(10,550,206)</b>	<b>(18,062,925)</b>
Shares issued for vested RSU and PSU (Note 12)	292	409	-	(409)	-	-	-	-
Shares issued (conversion of debts)	28,533,540	1,513,168	-	-	-	-	-	1,513,168
Share-based compensation	135,085	35,325	-	45,683	-	-	-	81,008
Shares issued - Little West	60,884	3,044	-	(3,044)	-	-	-	-
Shares issued as per settlement agreement	2,000,000	100,000	-	-	-	-	-	100,000
Non-controlling interest	-	-	-	-	(1,236,836)	-	10,550,206	9,313,370
- Net loss of the period	-	-	-	-	-	(5,014,710)	-	(5,014,710)
<b>Balance, March 31, 2024</b>	<b>34,423,688</b>	<b>61,158,031</b>	<b>208,026</b>	<b>25,356,870</b>	<b>(34,417)</b>	<b>(98,758,599)</b>	<b>-</b>	<b>(12,070,089)</b>

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



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# PlantX Life Inc.

## Notes to Consolidated Financial Statements For the Year ended March 31, 2024 and 2023 (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 1861 Mamquam Road Squamish British Columbia V8B 0H5 Canada.

On October 6, 2023 PlantX transferred a collection of assets (the “Subsidiary Assets”) in exchange for 50.9% of the total issued and outstanding shares of Veg House Holdings Inc. These assets encompass wholly owned subsidiaries including Vegaste Technologies US Corp., Little West, 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.(see note 16)

These consolidated financial statements were reviewed and approved by the Board of Directors and authorized for issued on **July 29, 2024**.

### 2. Going Concern Assumption

These 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 year ended March 31, 2024, the Company’s net losses are \$(5,014,710) (March 31, 2023 \$(21,384,656)), cash flow from operations \$(1,079,014) (March 31, 2023; \$(10,014,029)) and the working capital deficit is \$(6,507,510) (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 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 at amounts different from those in the accompanying consolidated financial statements. These adjustments could be material.

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## PlantX Life Inc.

Notes to Consolidated Financial Statements  
For the Year ended March 31, 2024 and 2023  
(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 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 consolidated financial statements of the Company have been prepared based on historical costs, modified where applicable. These consolidated financial statements are presented in Canadian dollars.

#### (b) Basis of consolidation

These 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.

The consolidated financial statements include the financial statements of the Company and its significant subsidiaries listed in the following table as of March 31, 2023:

<b>Name</b>	<b>Country of incorporation</b>	<b>Functional currency</b>	<b>(%) Equity interest as at March 31, 2023</b>
Vegaste Technologies US Corp. ("Vegaste")	US	U.S Dollar	100%
PlantX Living Inc.	Canada	Canadian Dollar	100%
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	100%
Plant-Based Deli LLC	US	U.S Dollar	100%
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	53.5%
Portfolio Coffee Inc. ("Portfolio Coffee")	CAD	Canadian Dollar	51%
PlantX Midwest Inc.	US	U.S Dollar	100%

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## PlantX Life Inc.

### Notes to Consolidated Financial Statements For the Year ended March 31, 2024 and 2023 (Expressed in Canadian Dollars)

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The consolidated financial statements include the financial statements of the Company and its significant subsidiaries listed in the following table as of March 31, 2024

Name	Country of incorporation	Functional currency	(%) Equity interest as at March 31, 2024
Bloombox Club Ltd. ("Bloombox")	UK	Pound Sterling	100%
Bloombox UG	Germany	Euro	100%
PlantX Living Squamish Inc. ("Score")	Canada	Canadian Dollar	100%
PlantX UK	UK	Pound Sterling	100%

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

#### 4. Significant Accounting Policies

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

The preparation of consolidated financial statements requires 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 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

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## **PlantX Life Inc.**

### **Notes to Consolidated Financial Statements For the Year ended March 31, 2024 and 2023 (Expressed in Canadian Dollars)**

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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' 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 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 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 consolidated statements of operations.

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## PlantX Life Inc.

### Notes to Consolidated Financial Statements For the Year ended March 31, 2024 and 2023 (Expressed in Canadian Dollars)

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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.

#### (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.

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## **PlantX Life Inc.**

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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.

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.

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## **PlantX Life Inc.**

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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 consolidated statements of financial position as a deduction from the gross carrying amount of the financial asset.

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.

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## PlantX Life Inc.

### Notes to Consolidated Financial Statements For the Year ended March 31, 2024 and 2023 (Expressed in Canadian Dollars)

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#### 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.

#### 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



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## **PlantX Life Inc.**

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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.

#### **(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.

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## PlantX Life Inc.

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#### (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.

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.

#### (l) 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

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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.

#### **(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 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 March 31, 2024 and 2023.

#### **(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.

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## PlantX Life Inc.

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### (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.

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, (see note 16)

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

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### (s) Non-current asset

Equity instruments designated at fair value through OCI include investments in equity shares of non-listed companies. These investments were irrevocably designated at fair value through OCI.

## 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:

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## **PlantX Life Inc.**

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#### **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.

As at March 31, 2024, 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 March 31, 2024, the Company had a cash balance of \$73,937 (March 31, 2023: \$159,157) and current liabilities of \$6,707,194 (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 March 31, 2024, 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:**

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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.

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.

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### 6. Prepaid and Deposits

	March 31, 2024		March 31, 2023	
Office and Insurance	\$	14,768	\$	20,079
Consulting		5,914		19,318
Advance and Deposits		15,567		15,858
	\$	36,249	\$	55,255

### 7. Accounts Payable and Accrued Liabilities

	March 31, 2024		March 31, 2023	
Accounts payable	\$	3,793,073	\$	6,846,010
Accrued liabilities		1,447,113		1,758,906
	\$	5,240,186	\$	8,604,916

### 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
FX translation	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
Disposal (see note 16)	\$ (1,284,104)	\$ (148,583)	\$ (750,652)	\$ (2,183,339)
As at March 31, 2024	-	-	-	-
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)
Disposal (see note 16)	661,086	148,583	477,496	1,195,730
Charge for the period	(54,861)	-	(36,574)	(91,435)
As at March 31, 2024	\$ -	\$ -	\$ -	\$ -
Net book value:				
As at March 31, 2023	\$ 677,879	\$ -	\$ 309,730	\$ 987,609
As at March 31, 2024	\$ -	\$ -	\$ -	\$ -

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

The following is the continuity of lease liabilities as at and for the years ended March 31, 2024:

Right-of-use asset:		
<b>Balance, March 31, 2022</b>	\$	6,307,619
Addition		91,263
Depreciation		(1,408,420)
FX translation		(346,890)
<b>Balance, March 31, 2023</b>		4,643,572
Disposal (see note 16)		(4,148,141)
Depreciation		(148,668)
<b>Balance, March 31, 2024</b>	\$	346,763

Lease liability:		
Balance, March 31, 2022	\$	6,978,498
Addition		73,169
Accrued interest		431,043
Payment		(974,720)
FX translation		501,127
		(7,009,117)
Less: current portion		(637,426)
<b>Non-current portion</b>	\$	(6,371,691)
Balance, March 31, 2023	\$	7,009,117
Disposal (see note 16)		(6,909,530)
Accrued interest		431,043
Payment		(170,436)
FX translation		1,812
<b>Balance, March 31, 2024</b>		(362,006)
Less: current portion		(155,885)
<b>Non-current portion</b>	\$	(206,121)



## PlantX Life Inc.

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#### 10. Property and Equipment

	Office Equipment	Machinery and Equipment	Furniture and Fixtures	Building Improvements	Total
Cost:					
Balance, March 31, 2022	\$ 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
Disposal (see note 16)	(869,978)	(911,554)	(33,643)	(525,046)	(2,496,678)
Balance, March 31, 2024	\$ -	\$ -	\$ 156,457	\$ -	\$ -
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)
Disposal (see note 16)	959,017	1,065,253	10,294	526,225	2,560,789
Charge for the period	(96,637)	(160,000)	(4,761)	(13,028)	(274,426)
Balance, March 31, 2024	\$ -	\$ -	\$ (69,533)	\$ -	\$ (69,533)
Net book value:					
Balance, March 31, 2023	\$ 7,598	\$ 6,301	\$ 115,034	\$ 11,849	\$ 140,782
Balance, March 31, 2024	\$ -	\$ -	\$ 86,924	\$ -	\$ 86,924

#### 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 consolidated financial statements.

#### 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 March 31, 2024, the Company had 34,423,688 (March 31, 2023, 3,693,887) Common Shares outstanding.

During the year ended March 31, 2024, 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.

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## **PlantX Life Inc.**

### **Notes to Consolidated Financial Statements For the Year ended March 31, 2024 and 2023 (Expressed in Canadian Dollars)**

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During the year ended March 31, 2024, the Company issued a total of 28,533,540 Common Shares in accordance with the terms of the convertible loan agreement.

During the year ended March 31, 2024, the Company issued a total of 135,085 Common Shares in accordance with the terms of the share based compensation

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

On October 18, 2023, the Company issued a total of 60,884 Common Shares in accordance with the terms of the acquisition agreement with Little West.

During the year ended March 31, 2023, 18,857 warrants were exercised.

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 consolidated the Common Shares of the Company on the 10 for (1) one basis., accordingly share capital, options and warrants have been adjusted thereto.

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

The calculation of basic and diluted loss per share for the year ended March 31, 2024 was based on the net loss attributable to common shareholders of \$(5,014,710) (March 31, 2023– \$21,384,656) and the weighted average number of Common Shares outstanding of 28,134,942 (March 31, 2023 – 1,258,241).

#### **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.

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;

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## **PlantX Life Inc.**

### **Notes to Consolidated Financial Statements For the Year ended March 31, 2024 and 2023 (Expressed in Canadian Dollars)**

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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.

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.

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## **PlantX Life Inc.**

### **Notes to Consolidated Financial Statements For the Year ended March 31, 2024 and 2023 (Expressed in Canadian Dollars)**

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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.

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.

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## PlantX Life Inc.

### Notes to Consolidated Financial Statements For the Year ended March 31, 2024 and 2023 (Expressed in Canadian Dollars)

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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 March 31, 2024 is as follows:

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	<b>Number of Options</b>
Outstanding, March 31, 2022	59,603
Outstanding, March 31, 2023	59,603
Granted/ Exercised	--
Outstanding, March 31, 2024	59,603

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\*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 year ended March 31, 2023 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 Consolidated Financial Statements  
For the Year ended March 31, 2024 and 2023  
(Expressed in Canadian Dollars)**

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A summary of the Company's outstanding PSU's and RSU's as at March 31, 2024 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, March 31, 2024	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, March 31, 2024	1,267

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## PlantX Life Inc.

### Notes to Consolidated Financial Statements For the Year ended March 31, 2024 and 2023 (Expressed in Canadian Dollars)

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During the year ended March 31, 2024, the Company recognized a total of \$1,267 (March 31, 2023; \$1,267) in share-based compensation.

The following summarizes information about stock options outstanding and exercisable at March 31, 2024:

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.

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## PlantX Life Inc.

### Notes to Consolidated Financial Statements For the Year ended March 31, 2024 and 2023 (Expressed in Canadian Dollars)

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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 March 31, 2024 is as follows:

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	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, March 31,2024	2,242,626	\$ 1.88

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The following summarizes information about warrants outstanding and exercisable at March 31, 2024:

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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

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## PlantX Life Inc.

### Notes to Consolidated Financial Statements For the Year ended March 31, 2024 and 2023 (Expressed in Canadian Dollars)

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#### 13. Revenue and Geographic Information

Revenue derived from customers located in the following geographic areas:

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	March 31, 2024	March 31, 2023
Canada	\$ 4,364,029	\$ 4,560,495
United States	1,975,222	7,365,690
Europe	963,415	1,373,706
	<b>\$ 7,302,666</b>	<b>\$ 13,299,891</b>

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As at March 31, 2024, the Company recognized unearned revenue of \$148,796 (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 March 31, 2024, is \$14,393 (March 31, 2023: \$14,393).

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 March 31, 2024, is \$75,000 (March 31, 2023: 92,938).

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 March 31, 2024, is \$482,404 (March 31, 2023: \$488,213).

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 March 31, 2024, is \$40,000 (March 31, 2022: \$40,000.) The loan is used to finance operating costs.

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 March 31, 2024, is \$7,404,377 (March 31, 2023: 4,927,727).

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## PlantX Life Inc.

Notes to Consolidated Financial Statements  
For the Year ended March 31, 2024 and 2023  
(Expressed in Canadian Dollars)

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### 15. Administrative Expenses

	March 31, 2024	March 31, 2023
Dues and subscriptions	\$ 162,995	\$ 223,653
Gateway fees	2,556	109,106
Meals and entertainment	26,729	103,768
Merchant fees	77,830	126,113
Office general administrative expenses	381,362	1,695,091
Postage and delivery	236,690	1,529,262
Rent	92,151	251,644
Repair and maintenance	77,738	351,377
Supplies	116,433	201,157
Licence and taxes	45,975	128,463
Utilities	232,786	211,807
Insurance expense	42,647	213,853
Travel expenses	11,557	824,460
Accounting and audit fees	152,156	374,569
	<b>\$ 1,659,605</b>	<b>\$ 6,344,323</b>

### 16. Investment in Veg House Holding Inc

On October 6, 2023, the Company transferred a collection of assets in exchange for 6,000,000 shares of the total issued and outstanding shares of Veg House Holdings 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. Accordingly the results of these entities have been recorded in the financial statements up to the date of October 6, 2023.

In January 2024, the Company partially settled a secured loan by transferring 2,250,000 shares valued at USD 1.00 per share of Veg House Holding Inc. In addition, the Company sold 2,690,100 shares of Veg House Holding Inc at USD 1.00 per share. The remaining 1,059,900 shares of Veg House Holding Inc., have been recorded as equity instruments, because the company considers this as a strategic investment, and therefore designated at fair value through OCI at USD 1.00 per share.

## PlantX Life Inc.

### Notes to Consolidated Financial Statements For the Year ended March 31, 2024 and 2023 (Expressed in Canadian Dollars)

#### 17. Income Taxes

Income tax expense differs from the amount that would be computed by applying the applicable statutory income tax rates to income before income taxes.

A reconciliation of income taxes at statutory rates with reported taxes are as follows:

<b>Reconciliation of expected tax based on income (loss)</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Loss for the year	\$ (5,014,710)	\$ (54,802,666)
Rate	27.00%	27.00%
Expected income tax recovery	(1,353,969)	(14,785,483)
Non-deductible items – other	(133,102)	(65)
Non-deductible items – impairment	-	5,760,436
Non-deductible items – stock based compensation	(21,872)	2,940,256
Other	-	(2,297)
Effect of change in tax rates	(24,474)	218,186
Tax benefits not recognised	1,533,417	5,868,967
Deferred tax recovery	\$ -	\$ -

  

<b>Deferred income tax assets (liabilities)</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Non-capital losses	\$ 4,810,819	\$ 10,558,252
Capital losses	-	-
Share issuance costs	100,236	300,709
PPE / Intangible	49,140	(21,179)
Tax benefits not recognised	-	269,315
	4,960,195	11,107,097
<b>Deferred tax transfer on acquisition</b>		
Tax benefits not recognised	-	(11,107,097)
Non-capital losses	9,897,198	-
PPE	15,577	-
Exploration	269,315	-
Valuation allowance	\$ (15,142,285)	\$ -
Net deferred tax asset	-	-

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

## Notes to Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023

(Expressed in Canadian Dollars)

### 18. Segment Information

The operating segments of the Company are identified as Bloombox, Score (“Squamish”), Israel, Little West, Plant-Based Deli, New Deli, PlantX UK, ND PlantX Nevada. 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 year ended March 31, 2024, and 2022. The asset and liability balances are as at March 31, 2024 and March 31, 2023. (see note 16)

#### Income statement items:

March 31, 2024	PlantX Life	PlantX Living	Vegaste	Bloombox	Squamish	Israel	Little West	Plant Based Deli	PlantX UK	PlantX Nevada	EH & Portfolio Coffee	PlantX Midwest	Veg House	Consolidated
Revenue	\$ -	\$ 66,451	\$ 5,541	\$ 877,100	\$ 3,947,339	\$ -	\$ 1,733,461	\$ 236,221	\$ 86,315	\$ -	\$ 350,238	\$ -	\$ -	\$ 7,302,666
Cost of sales	\$ -	\$ (59,355)	\$ (2,761)	\$ (510,271)	\$ (1,450,199)	\$ -	\$ (1,452,552)	\$ (121,205)	\$ (63,498)	\$ -	\$ (237,404)	\$ -	\$ -	\$ (3,897,245)
Gross margin	\$ -	\$ 7,096	\$ 2,780	\$ 366,829	\$ 2,497,140	\$ -	\$ 280,909	\$ 115,016	\$ 22,817	\$ -	\$ 112,834	\$ -	\$ -	\$ 3,405,421
Net loss before taxes	\$ (14,845,136)	\$ 3,236,369	\$ 5,395,014	\$ (44,036)	\$ (280,948)	\$ -	\$ 755,801	\$ 752,624	\$ (113,190)	\$ -	\$ 128,788	\$ 1	\$ 1	\$ (5,014,710)

March 31, 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	Consolidated
Revenue	\$ -	\$ 325,931	\$ 35,331	\$ 1,369,515	\$ 3,629,283	\$ -	\$ 3,594,556	\$ 738,828	\$ 4,191	\$ -	\$ 605,281	\$ 2,725,957	\$ 271,018	\$ 13,299,891
Cost of sales	\$ -	\$ (307,252)	\$ (23,458)	\$ (877,044)	\$ (1,451,549)	\$ -	\$ (2,621,570)	\$ (408,176)	\$ (3,216)	\$ -	\$ (316,029)	\$ (2,026,373)	\$ (176,457)	\$ (8,211,124)
Gross margin	\$ -	\$ 18,679	\$ 11,873	\$ 492,471	\$ 2,177,734	\$ -	\$ 972,986	\$ 330,652	\$ 975	\$ -	\$ 289,252	\$ 699,584	\$ 94,561	\$ 5,088,767
Net loss before taxes	\$ (10,779,269)	\$ (1,241,340)	\$ (381,215)	\$ (608,576)	\$ (318,101)	\$ (878,164)	\$ (827,972)	\$ (293,757)	\$ (216,028)	\$ (1,574,448)	\$ (253,813)	\$ (4,062,594)	\$ 50,619	\$ (21,384,656)

#### Balance Sheet items:

As at March 31, 2024	PlantX Life	PlantX Living	Vegaste	Bloombox	Squamish	Israel	Little West	Plant Based Deli	PlantX UK	PlantX Nevada	EH & Portfolio Coffee	PlantX Midwest	Veg House	Consolidated
Assets	\$ 1,629,191	\$ -	\$ -	\$ 27,722	\$ 581,102	\$ -	\$ -	\$ -	\$ 9,588	\$ -	\$ -	\$ -	\$ -	\$ 2,247,603
Liabilities	\$ (11,114,007)	\$ -	\$ (550,026)	\$ (1,168,024)	\$ (917,412)	\$ (268,181)	\$ -	\$ -	\$ (87,172)	\$ (212,870)	\$ -	\$ -	\$ -	\$ (14,317,692)
As at March 31, 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	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 Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023

(Expressed in Canadian Dollars)

#### 19. Discontinued Operation

In January 2023, the Company closed its segment in Israel. Statement of financial position and results of discontinued operation enumerated below:

	2024		2023	
	March 31		March 31	
<b>ASSETS</b>				
<b>Total assets</b>	\$	-	\$	-
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
Accounts payable	\$	-	\$	1,858,094
Other liability		-		1,188
Lease liabilities		-		248,932
<b>Total liabilities</b>		-		2,108,214
<b>Shareholders' (deficit) equity</b>				
Deficit		-		(2,108,214)
<b>Total shareholder's (deficit) equity</b>		-		(2,108,214)
<b>Total liabilities and shareholders' (deficit)</b>	\$	-	\$	-

#### 20. 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. Effective May 31, 2024, the Company stipulated the entry of a judgment for \$350,000 (CAD 468,020). Following the entry of that Judgment, the matter has been dismissed. Accordingly, the provision has been made of USD 350,000 (CAD 468,020) for the year ended March 31, 2024.

#### 21. Subsequent Event

Subsequent to the year ended March 31, 2024 the Company consolidated its shares based on 1:34 per share. The common shares of the company as of the date of the issue of these financial statements is 1,012,378.