

# **GLORIOUS CREATION LIMITED**

## **Condensed Interim Financial Statements**

(Expressed in Canadian dollars - unaudited)

**For the three months ended March 31, 2023**

## **NOTICE TO READER**

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

**VANCOUVER, BC**  
**May 17, 2023**

# Glorious Creation Limited

## Condensed Interim Statements of Financial Position

Expressed in Canadian dollars - unaudited

As at

	March 31, 2023	December 31, 2022
	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
Cash	552,795	648,401
Prepays (Note 7)	3,500	30,172
Receivables (Note 5)	117,021	117,021
<b>Total assets</b>	<b>673,316</b>	<b>795,594</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	38,355	29,534
Due to related parties (Note 7)	3,675	-
<b>Total current liabilities</b>	<b>42,030</b>	<b>29,534</b>
<b>Shareholders' equity</b>		
Share capital (Note 6)	4,861,202	4,861,202
Reserve (Note 6)	535,701	535,701
Deficit	(4,765,617)	(4,630,843)
<b>Total shareholders' equity</b>	<b>631,286</b>	<b>766,060</b>
<b>Total liabilities and shareholders' equity</b>	<b>673,316</b>	<b>795,594</b>

Nature of operations (Note 1)

Basis of preparation and going concern (Note 2)

On behalf of the Board:

<u>"Liam Corcoran"</u>	Director
<u>"Toby Lim"</u>	Director

# Glorious Creation Limited

## Condensed Interim Statements of Loss and Comprehensive Loss

Expressed in Canadian dollars - unaudited

For the three months ended March 31,

	2023	2022
	\$	\$
<b>General and administrative expenses</b>		
Accounting and auditing	14,000	5,622
Consulting	-	788
Director fees (Note 7)	31,500	3,150
Legal (Note 7)	27,584	35,354
Management fees (Note 7)	42,525	14,175
Travel and related	5,475	-
Office and miscellaneous	390	181
Registration and filing	5,893	6,183
Rent	5,992	5,241
Transfer agent and shareholder costs	1,415	947
<b>Net loss and comprehensive loss for the year</b>	<b>(134,774)</b>	<b>(71,641)</b>
<b>Weighted average number of common shares outstanding</b>	<b>23,530,457</b>	<b>20,983,389</b>
<b>Basic and diluted loss per common share</b>	<b>(0.01)</b>	<b>(0.00)</b>

# Glorious Creation Limited

## Condensed Interim Statements of Changes in Shareholders' Equity

Expressed in Canadian dollars - unaudited

	Share Capital		Reserve	Deficit	Total
	Number of common shares	Amount			
		\$	\$	\$	\$
<b>Balance, December 31, 2021</b>	<b>20,983,389</b>	<b>3,825,043</b>	<b>535,701</b>	<b>(4,098,512)</b>	<b>262,232</b>
Loss for the period	-	-	-	(71,641)	(71,641)
<b>Balance, March 31, 2022</b>	<b>20,983,389</b>	<b>3,825,043</b>	<b>535,701</b>	<b>(4,170,153)</b>	<b>190,591</b>
<b>Balance, December 31, 2022</b>	<b>25,209,207</b>	<b>4,861,202</b>	<b>535,701</b>	<b>(4,630,843)</b>	<b>766,060</b>
Loss for the period	-	-	-	(134,774)	(134,774)
<b>Balance, March 31, 2023</b>	<b>25,209,207</b>	<b>4,861,202</b>	<b>535,701</b>	<b>(4,765,617)</b>	<b>631,286</b>

# Glorious Creation Limited

## Condensed Interim Statements of Cash Flows

Expressed in Canadian dollars - unaudited

For the three months ended March 31,

	2023	2022
	\$	\$
<b>Operating activities</b>		
Net loss for the period	(134,774)	(71,641)
Changes in non-cash working capital items:		
Accounts payable and accrued liabilities	8,821	(21,698)
Prepays	26,672	(7,168)
Due to/from related parties	3,675	(2,100)
<b>Total cash used in operating activities</b>	<b>(95,606)</b>	<b>(102,607)</b>
<b>Change in cash</b>	<b>(95,606)</b>	<b>(102,607)</b>
<b>Cash, beginning of the period</b>	<b>648,401</b>	<b>291,284</b>
<b>Cash, end of the period</b>	<b>552,795</b>	<b>188,677</b>

Supplement disclosure with respect to cash flows (Note 10)

# Glorious Creation Limited

## Notes to the Condensed Interim Financial Statements

Expressed in Canadian dollars - unaudited

For the three months ended March 31, 2023 and 2022

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### 1. NATURE OF OPERATIONS

Glorious Creation Limited (the "Company" or "GCIT") was incorporated under the Canada Business Corporations Act on December 24, 2015 and was registered as an extra-provincial company in British Columbia on January 28, 2016. On September 5, 2017, the Company completed its initial public offering ("IPO") and trading of the Company's common shares commenced on the Canadian Securities Exchange ("CSE").

The Company is currently identifying and evaluating new potential asset or business acquisition as further described in Note 11.

The Company's head office and principal address is 401 - 750 West Pender Street, Vancouver, BC, Canada and the registered and records office of the Company is located at 10<sup>th</sup> floor, 595 Howe Street, Vancouver, BC, Canada.

### 2. BASIS OF PREPARATION AND GOING CONCERN

#### *Statement of compliance*

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

These interim financial statements do not include all of the information and note disclosures required for full annual financial statements and should be read in conjunction with the Company's annual financial statements as at the year ended December 31, 2022.

The accounting policies applied in preparation of these financial statements are consistent with those applied and disclosed in the Company's audited financial statements for the year ended December 31, 2023.

These financial statements were authorized for issue by the Board of Directors on May 17, 2023.

#### *Basis of measurement*

These financial statements have been prepared on a historical cost basis, except for financial instruments measured at fair value, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

#### *Going concern*

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to continue its operations for the foreseeable future and meet its obligations and commitments in the normal course of business. The Company currently is looking for new assets or businesses to acquire as further described in Note 11. It has no business that can generate revenue. At March 31, 2023, the Company had cash of \$552,795 (December 31, 2022 - \$648,401), a working capital of \$631,286 (December 31, 2022 -\$766,060) and a deficit of \$4,765,617 (December 31, 2022 - \$4,630,843). Management believes it has sufficient working capital to continue operations for the next 12 months. These financial statements do not include any adjustments related to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

# Glorious Creation Limited

## Notes to the Condensed Interim Financial Statements

Expressed in Canadian dollars - unaudited

For the three months ended March 31, 2023 and 2022

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### 2. BASIS OF PREPARATION AND GOING CONCERN (continued)

In the past, operating and development capital requirements have been funded primarily from equity financing and the Company will need to arrange equity or other financing in the near future in order to continue in operation. While the Company has been successful in raising capital in the past, there can be no assurance that such financing will be available to the Company in the amount required or that it can be obtained on terms satisfactory to the Company.

These financial statements do not reflect the adjustments to the carrying values of the assets and liabilities, the reported expenses and the statements of financial position classifications that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

### 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

#### (i) Going concern evaluation

As discussed in note 2, these financial statements have been prepared under the assumptions applicable to a going concern. If the going concern assumption were not appropriate for these financial statements then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the statement of financial position classifications used and such adjustments could be material.

The Company reviews the going concern assessment at the end of each reporting period.

#### (iii) Income taxes

Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

### 4. SIGNIFICANT ACCOUNTING POLICIES

#### *Cash*

Cash includes cash held at major financial institutions and highly liquid guaranteed investment certificates that are readily available to the Company on demand or with maturity dates of three months or less.



# Glorious Creation Limited

## Notes to the Condensed Interim Financial Statements

Expressed in Canadian dollars - unaudited

For the three months ended March 31, 2023 and 2022

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### 4. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### *Share-based payment transactions*

The share option plan allows the Company's employees and consultants to acquire shares of the Company. The fair value of share options granted is recognized as a share-based compensation expense with a corresponding increase in the equity settled share-based payments reserve in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. For employees, the fair value is measured at grant date and each tranche is recognized separately on a straight-line basis over the period during which the share options vest. The fair value of the share options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the share options were granted. At the end of each reporting period, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. Equity-settled share-based payment transactions with non-employees are measured at the fair value of the goods or services received. However, if the fair value 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.

#### *Share capital*

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The fair value of the common shares issued in the private placements was determined to be the more easily measurable and the Company considers the market value of the common shares issued as fair value. The balance, if any, was allocated to the attached warrants. Warrants that are issued as payment for an agency fee or other transaction costs are accounted for as share-based payments.

#### *Loss per share*

Basic loss per share is calculated by dividing the loss for the year attributable to the ordinary shareholders by the weighted average number of common shares issued and outstanding during the year. Diluted loss per share is calculated by adjusting the weighted average number of common shares outstanding for dilutive instruments. In years in which a loss is incurred, the effect of potential issuances of shares under options and warrants would be antidilutive and therefore basic and diluted loss per share are the same.

#### *Lease*

Under IFRS 16, the Company recognizes right of use assets and lease liabilities for all leases except where the Company has elected to use the practical expedient to not recognize right-of-use assets and lease liabilities for low value assets or short-term leases under 1 year that are not expected to renew. As of March 31, 2023, and December 31, 2022, the Company only had a short-term lease relating to office space where no right-of-use assets or lease liabilities were recognized.

#### *Provisions*

Provisions are recognized for liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

# Glorious Creation Limited

## Notes to the Condensed Interim Financial Statements

Expressed in Canadian dollars - unaudited

For the three months ended March 31, 2023 and 2022

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### 4. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### *Financial instruments*

The Company recognizes a financial asset or a financial liability in its statement of financial position when it becomes party to the contractual provisions of the instrument. At initial recognition, the Company measures a financial asset or a financial liability at its fair value plus or minus, in the case of a financial asset or a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or the financial liability.

#### Financial assets

The Company will classify financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss, based on its business model for managing the financial asset and the financial asset's contractual cash flow characteristics. The three categories are defined as follows:

- a) Amortized cost - a financial asset is measured at amortized cost if both of the following conditions are met:
  - i. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
  - ii. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- b) Fair value through other comprehensive income - financial assets are classified and measured at fair value through other comprehensive income if they are held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- c) Fair value through profit or loss - any financial assets that are not held in one of the two business models mentioned are measured at fair value through profit or loss.

When, and only when, the Company changes its business model for managing financial assets it must reclassify all affected financial assets. The Company's financial assets are comprised of cash and note receivable which are classified as and measured at amortized cost.

#### Financial liabilities

The Company's liabilities include accounts payable and accrued liabilities, and due to related parties, which are all measured at amortized cost. After initial recognition, an entity cannot reclassify any financial liability.

#### *Impairment*

The Company assesses on a forward-looking basis the expected credit loss associated with its investments in debt instruments carried at amortized cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

#### *New, amended and future accounting pronouncements*

Accounting standards and amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

# Glorious Creation Limited

## Notes to the Condensed Interim Financial Statements

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For the three months ended March 31, 2023 and 2022

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### 5. RECEIVABLES

#### Note Receivable

As at March 31, 2023, the Company has \$96,900 (December 31, 2022 - \$96,900) recorded in connection to a promissory note issued in the amount of US\$75,000 due from Aeroponics Integrated Systems Inc. ("Aerobloom"), a company that is party to a definitive agreement with the Company as further described in Note 11. The promissory note bears nil interest, and is due and payable following the closing of the transaction, on demand or on termination of the definitive agreement within three months or 30 days pursuant to the certain terms of termination defined in the definitive agreement.

#### Other Receivable

As at March 31, 2023, other receivable is comprised of \$20,121 (December 31, 2022 - \$20,121), which consists of an additional loan to Aerobloom of US\$15,000, loaned on the same terms as the Note Receivable as described above.

### 6. SHAREHOLDERS' EQUITY

#### Share capital

Authorized:

Unlimited common shares without par value

As at March 31, 2023, the Company has 25,209,207 (December 31, 2022 – 25,209,207) common shares outstanding.

During the period ended March 31, 2023, there were no share capital issuances.

During the year ended December 31, 2022, on August 23, 2022, the Company closed a non-brokered private placement issuing 4,225,818 common shares of the Company at a price of \$0.25 per share for gross proceeds of \$1,056,455. The Company paid finder's fees totaling \$2,400 to certain arm's length finders who assisted with the offering and recorded share issuance costs of \$17,896. Shares issued under the Offering are subject to a statutory hold period in Canada expiring four months and one day from the date of issuance.

#### Stock options

In January 2017, the Company adopted an incentive stock option plan (the "Option Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with CSE requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares. Such options will be exercisable for a period of up to 10 years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors.

# Glorious Creation Limited

## Notes to the Condensed Interim Financial Statements

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For the three months ended March 31, 2023 and 2022

### 6. SHAREHOLDERS' EQUITY (continued)

As at March 31, 2023, there are no stock options outstanding.

As at the year ended December 31, 2020, and 2021, there were 17,857 stock options outstanding priced at \$4.20. During the year ended December 31, 2022, 17,857 stock options priced at \$4.20 expired unexercised on September 5, 2022.

#### Warrants

There were no warrant transactions during the period ended March 31, 2023 and the year ended December 31, 2022.

As at March 31, 2023, and December 31, 2022, the following warrants are outstanding:

Number of Warrants	Exercise Price	Expiry Date
18,181,818	\$ 0.07	July 24, 2024

### 7. RELATED PARTY TRANSACTIONS

- a) During the three months ended March 31, 2023, the Company paid or accrued management fees of \$31,500 (2022 - \$7,875) to a company controlled by the CEO of the Company. As of March 31, 2023, the Company \$nil prepaid/due (December 31, 2022 - \$12,497 prepaid) to a company controlled by the CEO management fees and office rent reimbursement.
- b) During the three ended March 31, 2023, the Company paid or accrued management fees of \$nil (2022 - \$6,300) to a company controlled by the former CFO of the Company. As of March 31, 2023, \$nil (December 31, 2022 - \$nil) was owed to a company controlled by the former CFO.
- c) During the three months ended March 31, 2023, the Company paid or accrued management fees of \$11,025 (2022 - \$nil) to a company controlled by the CFO of the Company. As of March 31, 2023, the Company had a balance of \$3,675 due to (December 31, 2022 - \$3,675 prepaid) a company controlled by the CFO for January 2023 management fees.
- d) During the three months ended March 31, 2023, the Company paid or accrued directors' fees of \$31,500 (2022 - \$3,150) to a company controlled by a director. As of December 31, 2022, \$nil (December 31, 2022 - \$10,500 prepaid) to a company controlled by the director for directors' fees.

# Glorious Creation Limited

## Notes to the Condensed Interim Financial Statements

Expressed in Canadian dollars - unaudited

For the three months ended March 31, 2023 and 2022

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### 8. CAPITAL RISK MANAGEMENT

The Company defines capital as the items included in shareholders' equity (deficiency). The Company's objectives in managing capital are to safeguard the Company's ability to continue as a going concern, ensure sufficient capital and liquidity to complete its technology developments, establish commercial markets and pursue its growth strategy.

To support these objectives, the Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash. In order to maximize the development efforts, the Company does not pay out dividends during its development stage.

The Company is not subject to any externally imposed capital requirements and there has been no change with respect to the overall capital risk management strategy during the reporting year.

### 9. FAIR VALUE AND RISK MANAGEMENT

IFRS 13, Fair Value Measurement, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and,

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company measured its cash, note receivable, accounts payable and accrued liabilities, and due to related parties at amortized cost. The carrying values of these items approximate their fair value due to the relatively short periods to maturity of the instruments.

#### ***Credit risk***

Credit risk arises from cash held with financial institutions as well as credit exposure on outstanding receivables.

The Company's cash is held at high-credit rating financial institutions. The Company's maximum exposure to credit risk is the carrying amounts of cash, note receivable and receivables on its statement of financial position.

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

Foreign currency risk arises from fluctuations in foreign currencies versus the Canadian dollar that could adversely affect reported balances and transactions denominated in those currencies. The Company currently has no significant assets or liabilities and has no revenue or expenses denominated in a foreign currency; accordingly, it is not exposed to foreign currency risk.

#### ***Liquidity risk***

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at March 31, 2023, the Company had a cash balance of \$552,795 (December 31, 2022 -\$291,284) to settle current liabilities of \$42,030 (December 31, 2022 - \$29,534). All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

# Glorious Creation Limited

## Notes to the Condensed Interim Financial Statements

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For the three months ended March 31, 2023 and 2022

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### 9. FAIR VALUE AND RISK MANAGEMENT (continued)

#### *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company currently has no interest-bearing financial instruments other than cash, so its exposure to interest rate risk is insignificant.

### 10. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Other than transactions disclosed elsewhere, there were no significant non-cash investing and financing transactions during the three months ended March 31, 2023, and the year ended December 31, 2022.

### 11. PROPOSED ACQUISITION OF AEROBLOOM

On May 3, 2022, the Company and Aeroponics Integrated Systems Inc. ("AeroBloom") and the holders of AeroBloom shares (the "AeroBloom Shareholders"), a company that is in the business of development and use of the proprietary aeroponics technology to harvest and cultivate various crops for distribution and retail, entered into a definitive share exchange agreement, which was amended on September 13, 2022.

#### **Details of the proposed acquisition prior to the amendment are as follows:**

Pursuant to the definitive agreement, the Company will acquire all of the issued and outstanding securities of AeroBloom from the AeroBloom Shareholders in exchange for 40,608,322 common shares of the Company (the "Acquisition Shares") at the closing of the Transaction (the "Closing") for aggregate consideration of \$9,896,033 (based on the price of \$0.25 per Acquisition Share, being the Financing Price (as defined below)).

Upon completion of the Transaction, AeroBloom will become a wholly-owned subsidiary of the Company, and the Company will change its name to "AeroBloom Integrated Systems Inc." (the "Name Change") and carry on the business carried on by AeroBloom (the "Resulting Issuer").

The completion of the Transaction is subject to a number of conditions precedent, including: (i) satisfactory due diligence review by the Company; (ii) completion of the Financing (as defined below); (iii) completion of the acquisition by the Company of a controlling interest in AeroSynergy (a 100% wholly owned subsidiary of Aerobloom); (iv) receipt of requisite approvals from the shareholders and directors of each of AeroBloom and the Company; and (v) receipt of all requisite regulatory and third party approvals (including the conditional approval of the Exchange).

There can be no assurance that the Transaction will be completed on the terms set out in the Definitive Agreement or at all. The Company intends to obtain majority shareholder approval of the Transaction through written consent of its shareholders.

Upon closing of the Transaction, subject to the approval of the Exchange, the Company will pay a finder's fee consisting of 2,000,000 common shares of the Resulting Issuer (the "Finders' Shares") issued in the following denominations: (i) 500,000 Finders' Shares to a company owned by a related party, Liam L. Corcoran Law Corporation (the "LLCLC Finders' Shares"), and 1,500,000 Finders' Shares to certain arm's length finders.

# Glorious Creation Limited

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### 12. PROPOSED ACQUISITION OF AEROBLOOM (continued)

All Acquisition Shares and Finders' Shares will be subject to contractual restrictions on transfer for a period of 36 months from the Closing Date, to be released in accordance with the following schedule:

Date of Automatic Timed Release	Amount of Payment Shares Released
6 months after Closing Date	10%
12 months after Closing Date	10%
18 months after Closing Date	15%
24 months after Closing Date	20%
30 months after Closing Date	25%
36 months after Closing Date	20%

#### The Financing

Prior to the completion of the Transaction, the Company is expected to complete a non-brokered private placement consisting of a minimum of 16,000,000 securities ("Financing Securities") up to a maximum of 22,000,000 Financing Securities at a price of \$0.25 per Financing Security (the "Financing Price") for aggregate gross proceeds of a minimum of \$4,000,000 up to maximum of \$5,500,000 (the "Financing Proceeds"). Except for up to 2,000,000 Financing Securities which may, in the Company's discretion, be common shares of the Company ("Financing Shares"), all Financing Securities will be subscription receipts of the Company ("Subscription Receipts").

The terms of the financing were altered subsequently as described in the Transaction Amendments and Updates section below.

#### Transaction Amendments and Updates:

Further to the May 3, 2022 Definitive Agreement as described above, the Parties entered into an amending agreement to the Amalgamation Agreement dated September 13, 2022 (the "Amendment") in order to amend certain material terms of the Transaction and to address certain new developments, as follows:

- the Parties have extended the outside date to complete the proposed Transaction to July 31, 2023 (the "Outside Date");
- AeroBloom will conduct a crowdfunding regulation financing of up to approximately 13,513,513 common shares ("AeroBloom Shares") at a price of US\$0.37 per AeroBloom Share for gross proceeds of up to US\$5,000,000 (the "AeroBloom Financing"), and will deposit US\$1,400,000 of the proceeds from such financing (the "Escrowed Proceeds") into escrow until the earlier of the closing of the Transaction or termination of the Definitive Agreement, at which point the Escrowed Proceeds will be delivered back to AeroBloom, subject to payment of a Termination Fee (as described below).
- AeroBloom will be required to pay a termination fee of \$1,000,000 to the Company if the Definitive Agreement is terminated due to AeroBloom's breach or failure to satisfy any closing condition for the benefit of the Company;

# Glorious Creation Limited

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### 12. PROPOSED ACQUISITION OF AEROBLOOM (continued)

- in consideration for the acquisition of the AeroBloom Shares (including AeroBloom Shares issued pursuant to the AeroBloom Financing), the Company will issue from treasury to the shareholders of AeroBloom pro rata to their respective holdings of AeroBloom Shares, such number of the Company's Shares as is equal to the Canadian dollar equivalent of US\$16,155,344, at a price per the Company Share equal to the Canadian dollar equivalent of the AeroBloom Financing price per share (the "Payment Shares"). While the Transaction is currently structured as a share exchange, the parties have acknowledged and agreed that the Transaction may be restructured as a three-cornered amalgamation or other form of business combination determined by the legal and tax advisors to each of AeroBloom and the Company, acting reasonably, which will result in AeroBloom becoming a wholly-owned subsidiary of the Company.

Based on the nature of the Transaction, upon closing, shareholders of Aerobloom will acquire control of the Company. The Transaction is considered a purchase of the Company's net assets by the shareholders of Aerobloom and will be accounted for as a reverse acquisition.