

Boosh Plant-Based Brands Inc.

Condensed Consolidated Interim Financial Statements

For the Three Months Ended June 30, 2021 and 2020

(Expressed in Canadian dollars)

(Unaudited)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed consolidated interim financial statements of Boosh Plant-Based Brands Inc. (the "Company") have been prepared by management in accordance with International Financing Reporting Standards ("IFRS"). These condensed consolidated interim financial statements, which are the responsibility of management, are unaudited and have not been reviewed by the Company's auditors. The Company's Audit Committee and Board of Directors have reviewed and approved these condensed consolidated interim financial statements. In accordance with the disclosure requirements of National Instrument 51-102 released by the Canadian Securities Administrators, the Company's independent auditors have not performed a review of these condensed consolidated interim financial statements.

Boosh Plant-Based Brands Inc.

Condensed Consolidated Interim Statements of Financial Position

(Expressed in Canadian dollars)

(Unaudited)

	Note	June 30, 2021	March 31, 2021
ASSETS			
Current assets			
Cash		\$ 1,369,614	\$ 98,463
Trade and other receivables	6	63,698	51,185
Prepaid expenses		858,153	37,592
Inventory	7	100,474	98,094
		2,391,939	285,334
Intangible asset	9	51,625	52,281
Equipment	8	55,402	23,285
Right-of-use asset	12	81,851	100,739
Total assets		\$ 2,580,817	\$ 461,639
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)			
Current liabilities			
Accounts payable and accrued liabilities	10	\$ 172,209	\$ 337,036
Due to related parties	14	282	66,329
Convertible notes	11	-	148,439
Current portion of lease liability	12	70,641	74,718
		243,132	626,522
Lease liability	12	-	13,572
Total liabilities		243,132	640,094
Shareholders' equity (deficiency)			
Share capital	13	3,949,766	757,349
Obligation to issue shares	5,13	-	10,000
Reserves	5,11,13	678,518	349,550
Deficit		(2,290,599)	(1,295,354)
Total shareholders' equity (deficiency)		2,337,685	(178,455)
Total liabilities and shareholders' equity		\$ 2,580,817	\$ 461,639

Nature of operations and going concern (Note 1, 2)

Subsequent events (Note 16)

These condensed consolidated interim financial statements were approved by the Board of Directors on August 30, 2021:

"Connie Marples"

Director

"Jim Pakulis"

Director

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

Boosh Plant-Based Brands Inc.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

For the Three Months Ended June 30, 2021 and 2020

(Expressed in Canadian dollars)

(Unaudited)

	Note	2021	2020
Sales	15	\$ 33,014	\$ 9,044
Cost of sales	7	(22,905)	(400)
Gross profit		10,109	8,644
Operating expenses			
Depreciation	8,9,12	21,222	-
Foreign exchange loss		2,822	-
General and administrative expenses		107,687	4,732
Marketing, sales and distribution		347,937	8,142
Management fees	14	65,380	-
Professional fees	14	257,962	503
Rent		9,275	-
Research and development		9,828	617
Salaries	14	23,504	-
Share-based payments	13,14	103,182	-
Total operating expenses		948,799	13,994
Net loss before the undernoted items		(938,690)	(5,350)
Other income (loss)			
Accretion expense	11	(2,540)	-
Finance costs		(15)	(11)
Loss on conversion of convertible note	11	(54,000)	-
Net loss and comprehensive loss		\$ (995,245)	\$ (5,361)
Weighted average number of shares, basic and diluted		11,635,359	6,000,000
Loss per share, basic and diluted		\$ (0.09)	\$ (0.00)

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

Boosh Plant-Based Brands Inc.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
For the Three Months Ended June 30, 2021 and 2020
(Expressed in Canadian dollars)
(Unaudited)

	Note	Share Capital		Obligation to issue shares	Reserves	Deficit	Total shareholders' equity (deficit)
		Number of common shares*	Amount				
Balance, March 31, 2020	13	6,000,000	\$ 224,069	\$ -	\$ 41,327	\$ (349,324)	\$ (83,928)
Net loss for the period		-	-	-	-	(5,361)	(5,361)
Balance, June 30, 2020		6,000,000	\$ 224,069	\$ -	\$ 41,327	\$ (354,685)	\$ (89,289)
Balance, March 31, 2021	13	9,015,500	757,349	10,000	349,550	(1,295,354)	(178,455)
Shares issued pursuant to IPO	13	6,365,000	2,715,845	-	74,655	-	2,790,500
Shares issued pursuant to asset purchase agreement	9,13	5,000	2,500	(2,500)	-	-	-
Conversion of convertible note	11,13	100,000	117,000	-	151,131	-	268,131
Exercise of warrants	13	286,782	285,822	-	-	-	285,822
Shares issued for services	13	207,094	71,250	(7,500)	-	-	63,750
Share-based payments	13	-	-	-	103,182	-	103,182
Net loss for the period		-	-	-	-	(995,245)	(995,245)
Balance, June 30, 2021		15,979,376	\$ 3,949,766	\$ -	\$ 678,518	\$ (2,290,599)	\$ 2,337,685

* The number of shares outstanding before the RTO have been restated to reflect the effect of issuing 0.873288 RTO share for each share outstanding.

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

Boosh Plant-Based Brands Inc.

Condensed Consolidated Interim Statements of Cash Flows

For the Three Months Ended June 30, 2021 and 2020

(Expressed in Canadian dollars)

(Unaudited)

	2021	2020
Operating activities		
Net loss for the period	\$ (995,245)	\$ (5,361)
Items not affecting cash:		
Accretion expense	2,540	-
Depreciation	21,222	-
Interest expense	3,244	-
Share-based payments	103,182	-
Shares issued for services	63,750	-
Loss on conversion of convertible note	54,000	-
Non-cash working capital items:		
Accounts receivable	(12,513)	7,211
Prepaid expenses and deposits	(820,561)	588
Inventory	(2,380)	(8,548)
Accounts payable and other liabilities	(164,827)	(17,733)
Due to related parties	-	11,165
Net cash used in operating activities	(1,747,588)	(12,678)
Investing activity		
Purchase of equipment	(33,795)	-
Net cash used in investing activity	(33,795)	-
Financing activities		
Proceeds from loans advanced from related parties	1,524	17,432
Repayments of loans due to related parties	(67,571)	-
Proceeds from issuance of shares	285,822	-
Net proceeds from IPO	2,790,500	-
Issuance of convertible debt	63,000	-
Repayment of lease principal	(20,741)	-
Net cash provided by financing activities	3,052,534	17,432
Change in cash	1,271,151	4,754
Cash, beginning of the period	98,463	2,639
Cash, end of the period	\$ 1,369,614	\$ 7,393

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

Boosh Plant-Based Brands Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended June 30, 2021 and 2020

(Expressed in Canadian dollars)

(Unaudited)

1. NATURE OF OPERATIONS

Boosh Plant-Based Brands Inc. (the "Company" or "BPBB") was incorporated under the Business Corporations Act (British Columbia) on August 6, 2020. The Company's head office, principal address and records office is located at #103 - 6554 176 Street, Surrey, BC V3S 4G5. The registered office is located at 2080 - 777 Hornby Street, Vancouver, BC, V6Z 1S4. The Company is in the business of producing and selling plant-based frozen meals.

On December 21, 2020, the Company completed the acquisition of Boosh Food Inc. ("Boosh") through a share exchange agreement (Note 5). As a result, Boosh became a wholly owned subsidiary of the Company. This transaction is accounted for as a reverse asset acquisition of the Company by Boosh ("RTO"). On January 6, 2021, the Company changed its name to Boosh Plant-Based Brands Inc.

2. BASIS OF PREPARATION**Going concern**

These condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. To date, the Company has incurred losses and may incur further losses in the development of its business. During the three months ended June 30, 2021, the Company incurred a net loss of \$995,245 and had an accumulated deficit of \$2,290,599 as at June 30, 2021. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to raise financing and generate profits and positive cash flows from operations in order to cover its operating costs. From time to time, the Company generates working capital to fund its operations by raising additional capital through equity financing. However, there is no assurance it will be able to continue to do so in the future. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These condensed consolidated interim financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying condensed consolidated interim financial statements.

COVID-19

The recent outbreak of the coronavirus, also known as "COVID-19", has spread across the globe and is impacting worldwide economic activity. Conditions surrounding the coronavirus continue to evolve and government authorities have implemented emergency measures to mitigate the spread of the coronavirus. The outbreak and the related mitigation measures may have an adverse impact on global economic conditions as well as on the Company's business activities. The extent to which the coronavirus may impact the Company's business activities will depend on future developments, such as the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions, business disruptions, and the effectiveness of actions taken in Canada and other countries to contain and treat the disease. These events are highly uncertain and as such, the Company cannot determine their financial impact at this time.

Statement of compliance

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

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on August 30, 2021.

Boosh Plant-Based Brands Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended June 30, 2021 and 2020

(Expressed in Canadian dollars)

(Unaudited)

2. BASIS OF PREPARATION (continued)**Basis of consolidation**

The condensed consolidated interim financial statements incorporate the financial statements of the Company and of its wholly owned subsidiary, Boosh Food Inc.

A subsidiary is an entity over which the Company has control, directly or indirectly, where control is defined as the power to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. A subsidiary is consolidated from the date upon which control is acquired by the Company and all intercompany transactions and balances have been eliminated on consolidation.

Basis of measurement

The condensed consolidated interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Functional and presentation currency

These condensed consolidated interim financial statements are presented in Canadian dollars, which is the functional and reporting currency of the Company and Boosh.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies followed by the Company are set out in Note 3 on the audited annual consolidated financial statements for the years ended March 31, 2021 and 2020 and have been consistently followed in the preparation of these condensed consolidated interim financial statements.

Except as summarized below, the Company used the same accounting policies and methods of computation as in the audited annual consolidated financial statements for the years ended March 31, 2021 and 2020.

Accounting standards issued but not yet effective

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any new standards and determined that there are no standards that are relevant to the Company.

4. 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.

In preparing these condensed consolidated interim financial statements, management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates. Management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

In preparing these condensed consolidated interim financial statements, the significant estimates and critical judgments were the same as those applied to the consolidated financial statements as at and for the years ended March 31, 2021 and 2020.

Boosh Plant-Based Brands Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended June 30, 2021 and 2020

(Expressed in Canadian dollars)

*(Unaudited)***5. REVERSE TAKEOVER**

On December 21, 2020, an aggregate of 6,000,000 shares of the Company were issued to the shareholders of Boosh in exchange for their 6,870,587 shares in Boosh. Each share of Boosh was exchanged for 0.873288 common shares of the Company.

As a result of the acquisition, Boosh is deemed to be the acquirer for accounting purposes and therefore its assets, liabilities and operations are included in the consolidated financial statements at their historical carrying value. Boosh's operations were a continuance of the business and operations. The Company's results of operations are those of Boosh, with the operations of the Company being included from December 21, 2020, the closing date of the acquisition, and onwards.

At the time of the RTO, the Company did not constitute a business as defined under IFRS 3; therefore, the RTO is accounted for under IFRS 2, where the difference between the consideration given to acquire the Company and the net asset value of the Company is recorded as a transaction cost to profit and loss. As Boosh is deemed to be the accounting acquirer for accounting purposes, these consolidated financial statements present the historical financial information of Boosh up to the date of the RTO. The fair value of the consideration issued for the net assets of the Company is as follows:

Consideration:	
Fair value of shares retained by former BPBB shareholders (2,458,250 shares)	\$ 427,441
Value of BPBB warrants assumed (4,550,250 warrants, Note 13)	118,762
Forgiveness of Boosh debt	(92,712)
Total consideration	453,491
Fair value of net assets assumed:	
Cash and cash equivalents	423,835
Prepaid expenses and deposits	54,910
Accounts payable and accrued liabilities	(58,365)
Convertible debt	(102,995)
Conversion component	(13,603)
Subscriptions received	(58,000)
Total net assets	245,782
Transaction cost	\$ 207,709

6. TRADE AND OTHER RECEIVABLES

		June 30, 2021		March 31, 2021
Trade receivables	\$	28,280	\$	41,915
GST receivable		35,418		9,270
	\$	63,698	\$	51,185

Boosh Plant-Based Brands Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended June 30, 2021 and 2020

(Expressed in Canadian dollars)

*(Unaudited)***7. INVENTORY**

Inventory consists of finished goods and raw materials. The following is a breakdown of inventory:

	June 30, 2021	March 31, 2021
Finished goods	\$ 47,668	\$ 53,944
Raw materials	52,806	44,150
	\$ 100,474	\$ 98,094

During the three months ended June 30, 2021, the Company expensed \$22,905 (2020 - \$400) of inventory in the cost of sales.

8. EQUIPMENT

	Kitchen equipment	Computer equipment	Leasehold improvements	Total
Cost				
Balance, March 31, 2020	\$ -	\$ -	\$ -	\$ -
Additions	8,860	12,076	3,003	23,939
Balance, March 31, 2021	\$ 8,860	\$ 12,076	\$ 3,003	\$ 23,939
Additions	4,410	10,870	18,515	33,795
Balance, June 30, 2021	\$ 13,270	\$ 22,946	\$ 21,518	\$ 57,734
Accumulated Depreciation				
Balance, March 31, 2020	\$ -	\$ -	\$ -	\$ -
Depreciation	222	357	75	654
Balance, March 31, 2021	\$ 222	\$ 357	\$ 75	\$ 654
Depreciation	443	1,051	184	1,678
Balance, June 30, 2021	\$ 665	\$ 1,408	\$ 259	\$ 2,332
Net Book Value				
At March 31, 2021	\$ 8,638	\$ 11,719	\$ 2,928	\$ 23,285
At June 30, 2021	\$ 12,605	\$ 21,538	\$ 21,259	\$ 55,402

Boosh Plant-Based Brands Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended June 30, 2021 and 2020

(Expressed in Canadian dollars)

*(Unaudited)***9. INTANGIBLE ASSET**

On February 28, 2021, the Company entered into an asset purchase agreement with Vegan Canteen Limited Partnership (“Vegan”) to purchase certain recipes and formulas and the associated intangible rights and property for total consideration of \$50,000 payable in cash and the issuance of 5,000 common shares of the Company with a fair value of \$2,500 (Note 13).

	Recipes & Formulas	
Cost		
Balance, March 31, 2020	\$	-
Additions		52,500
Balance, March 31, 2021 and June 30, 2021	\$	52,500
Amortization and Impairment		
Balance, March 31, 2020	\$	-
Amortization		219
Balance, March 31, 2021		219
Amortization		656
Balance, June 30, 2021	\$	875
Net Book Value		
At March 31, 2021	\$	52,281
At June 30, 2021	\$	51,625

10. ACCOUNTS PAYABLE AND OTHER LIABILITIES

	June 30, 2021		March 31, 2021	
Trade payables	\$	134,279	\$	156,770
Accrued liabilities		34,266		179,433
Payroll liabilities		3,664		833
	\$	172,209	\$	337,036

11. CONVERTIBLE NOTES

As part of the RTO (Note 5), Boosh acquired the outstanding convertible promissory notes issued and outstanding by BPBB with total fair value of \$116,598 of which \$13,603 has been classified as equity.

The convertible promissory note with a face value of \$40,000 bears interest at a rate of 6% per annum, while the convertible promissory note with a face value of \$70,000 bears no interest. Both convertible notes mature 10 days after the Company completed its Initial Public Offering on May 26, 2021 (“IPO”) and can be converted into warrants of the Company at a price of \$0.05 per warrant. Each warrant entitles the holder to purchase one common share of the Company at a price of \$1.00 for 12 months following the completion of the IPO. On May 31, 2021, the convertible notes were converted into 2,200,000 warrants with a value of \$111,131 recorded in reserves (Note 13).

Boosh Plant-Based Brands Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended June 30, 2021 and 2020

(Expressed in Canadian dollars)

*(Unaudited)***11. CONVERTIBLE NOTES (continued)**

On January 14, 2021, the Company issued a convertible promissory note with a face value of \$40,000 that bears no interest. The convertible note matures 10 days after the Company completes its IPO and can be converted into warrants of the Company at a price of \$0.05 per warrant. Each warrant entitles the holder to purchase one common share of the Company at a price of \$1.00 for 12 months following the completion of the IPO

To estimate the fair value, the debt component was estimated first at \$37,318 using an effective rate of 27% corresponding to a rate that the Corporation would have obtained for a similar financing without the conversion option. Secondly, as the equity component of the convertible debt is comprised of a conversion feature and bonus shares, the allocation between the two features is determined using the relative fair value approach. A fair value of \$1,114 was determined for the conversion component while a fair value of \$1,568 was determined for the bonus share feature. On May 31, 2021, the convertible note was converted into 800,000 warrants with a value of \$40,000 recorded in reserves (Note 13).

On April 12, 2021, the Company issued a convertible promissory note with a face value of \$63,000 that bears no interest. The convertible note matures 10 days after the Company completes its IPO and can be converted into 100,000 units of the Company at a price of \$0.50 per unit. Each unit comprised of one common share and one warrant of the Company. Each warrant entitles the holder to purchase one common share of the Company at a price of \$1.00 for 12 months following the completion of the IPO.

The fair value of the convertible promissory note approximates its carrying value due to its short term maturity. On June 1, 2021, the loan was converted into 100,000 common shares with a fair value of \$117,000 (Note 13). A loss of \$54,000 was recorded upon conversion.

A continuity of convertible notes for the three months ended June 30, 2021 and the year ended March 31, 2021 is as follows:

		Face value		Carrying value
Balance, March 31, 2020	\$	-	\$	-
Acquired on RTO		110,000		102,995
Issued during the year		40,000		37,318
Interest expense		-		658
Accretion		-		7,424
Balance, March 31, 2021		150,000		148,394
Issued during the period		63,000		63,000
Conversion		(214,131)		(214,131)
Interest expense		-		197
Accretion		-		2,540
Balance, June 30, 2021	\$	-	\$	-

12. LEASES**Building**

On December 10, 2020, the Company entered into a lease agreement for a building. The lease term commenced on January 1, 2021 to July 31, 2022. The Company is committed to a monthly rental fee of \$6,914 per month plus operating expenses.

Upon commencement of the lease, the Company paid a deposit of \$54,910 which consisted of a prepayment of the first three months and last two months of rent and related operating expenses for those periods. As at June 30, 2021, the Company has expensed \$nil (March 31, 2021 - \$12,205) of the prepaid operating expenses.

Boosh Plant-Based Brands Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended June 30, 2021 and 2020

(Expressed in Canadian dollars)

*(Unaudited)***12. LEASES (Continued)**

Right-of-Use Assets		Building
Cost		
Balance, March 31, 2020	\$	-
Additions		119,628
Depreciation expense		(18,889)
Balance, March 31, 2021		100,739
Depreciation expense		(18,888)
Balance, June 30, 2021	\$	81,851
Net carrying value:		
At March 31, 2021	\$	100,739
At June 30, 2021	\$	81,851

At June 30, 2021, the Company's lease obligation related to its office lease is as follows:

Lease Obligations		Building
Cost		
Balance, March 31, 2020	\$	-
Additions		85,060
Interest expense		3,230
Balance, March 31, 2021		88,290
Principal payments		(20,741)
Interest expense		3,092
Balance, June 30, 2021	\$	70,641
Which consists of:		
Current portion	\$	70,641
Long-term portion		-
	\$	70,641

At June 30, 2021, the Company is committed to minimum lease payments as follows:

Maturity Analysis		Building
Less than one year	\$	76,049
One to five years		-
Total undiscounted lease liabilities	\$	76,049
Amounts recognized in profit or loss		
Interest on lease liabilities	\$	3,092
Expenses related to variable lease payments not included in lease liabilities		9,275
Total amounts recognized in profit or loss	\$	12,367
Amounts recognized in the statement of cash flows		
Total cash outflow for leases	\$	20,741

Boosh Plant-Based Brands Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended June 30, 2021 and 2020

(Expressed in Canadian dollars)

*(Unaudited)***13. SHARE CAPITAL****a. Common shares**Authorized

The Company is authorized to issue an unlimited number of shares of common shares without par value.

Issued and outstanding

As at June 30, 2021, there were 15,979,376 (March 31, 2021 – 9,015,500) common shares issued and outstanding. Detail of the common shares issued are as follows:

As per the RTO (Note 5), the Company issued 0.873288 share for every share of Boosh Food Inc. outstanding. The number of shares outstanding historically have been adjusted to reflect this exchange ratio.

On December 21, 2020, pursuant to the RTO (Note 5), the accounting acquirer Boosh obtained \$58,000 in subscriptions received. The subscriptions were received for certain units of BPBB which had not been issued as at December 21, 2020. These units were subsequently issued by the Company on January 8, 2021 upon closing of the private placement.

For the three months ended June 30, 2021:

- a) On May 26, 2021, the Company completed its initial public offering and issued 5,750,000 units at price of \$0.50 per unit for gross proceeds of \$2,875,000. Each unit consists of one common share and one warrant with each warrant exercisable into one common share at an exercise price of \$1.00 until expiry on May 26, 2022. Using the residual method, the warrants have been determined to have a value of \$Nil. The Company incurred \$20,000 in cash, \$64,500 in legal fees and 615,000 units at a price of \$0.50 per unit in share issuance costs.
- b) On May 26, 2021, the Company issued 175,000 common shares with a fair value of \$43,750 to directors and consultants for services rendered.
- c) On May 26, 2021, the Company issued an aggregate of 15,000 common shares with a fair value of \$7,500 to a consultant and the CFO of the Company for services rendered, which had been recorded as an obligation to issue shares during the year ended March 31, 2021.
- d) On May 26, 2021, the Company issued 5,000 common shares with a fair value of \$2,500 to Vegan in connection to the asset purchase agreement dated February 28, 2021 (Note 9).
- e) On May 28, 2021, the Company entered into an agreement for marketing services in exchange for \$100,000 in common shares of the Company over the term of twelve months. On June 1, 2021, the Company issued 17,094 common shares to represent the marketing fees of \$20,000 incurred in connection to this agreement. The common shares in connection with this issuance are subject to a four month and one day statutory hold period from the date of issue, expiring on October 2, 2021.
- f) On June 1, 2021, the Company issued 100,000 units with a fair value of \$117,000 upon the conversion of \$63,000 convertible debt (Note 11). Each unit consists of one common share and one warrant. Each warrant is exercisable into one common share at an exercise price of \$1.00 until May 26, 2022.

Boosh Plant-Based Brands Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended June 30, 2021 and 2020

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*(Unaudited)***13. SHARE CAPITAL (continued)**

- g) During the three months ended June 30, 2021, the Company issued 286,782 common shares pursuant to the exercise of warrants with a weighted average exercise price of \$0.99 for total proceeds of \$285,822.

For the year ended March 31, 2021:

- a) On January 8, 2021, the Company closed a private placement and issued 474,750 units at price of \$0.20 per unit for gross proceeds of \$94,950. Each unit consists of one common share and one warrant. Each warrant is exercisable into one common share at an exercise price of \$1.00 until January 8, 2023. The warrants have a value of \$Nil using the residual method. The Company incurred \$333 in cash and 2,500 common shares at a price of \$0.20 per common share in share issuance costs.
- b) On January 14, 2021, the Company issued 40,000 common shares as bonus shares in relation to the convertible promissory note issued on the same date (Note 11).
- c) On January 15, 2021, the Company issued 40,000 common shares at a price of \$0.25 per common share for proceeds of \$10,000.
- d) On March 22, 2021, the Company approved the issuance of 10,000 common shares to the CFO of the Company with a fair value of \$5,000.
- e) On March 22, 2021, the Company approved the issuance of 5,000 common shares to a consultant of the Company with a fair value of \$2,500.

b. Stock options

The Company has an incentive stock option plan whereby share purchase options may be granted to directors, officers, employees and consultants of the Company. The total number of unissued shares available for eligible persons to acquire pursuant to options granted under the plan shall not exceed 750,000 shares as at the grant date. Options are granted with exercise prices at the market price or higher at the date of the grant, less any discounts permitted by regulatory authorities. Unless otherwise determined by the board, options will vest over four years, with 25% vesting on the first anniversary of the grant date and 6.25% vesting every three months thereafter, until the vesting of the last 6.25% occurs on the fourth anniversary of the grant date.

For the three months ended June 30, 2021:

On June 28, 2021, the Company granted 22,000 stock options to employees with a fair value of \$13,596. The options vest immediately and expire on June 28, 2023. The options had a grant date fair value of \$0.0618 per option determined using the Black-Scholes Options Pricing model with the following assumptions: no expected dividends; volatility of 113%; risk-free interest rate of 0.44% and expected life of 2 years.

For the year ended March 31, 2021:

On December 20, 2020, the Company granted 50,000 stock options to consultants with a fair value of \$2,817. The options vest immediately and expire on May 26, 2023. The options had a grant date fair value of \$0.0563 per option determined using the Black-Scholes Options Pricing model with the following assumptions: no expected dividends; volatility of 100%; risk-free interest rate of 0.23% and expected life of 2.4 years.

Boosh Plant-Based Brands Inc.

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(Expressed in Canadian dollars)

*(Unaudited)***13. SHARE CAPITAL (continued)**

On December 20, 2020, the Company granted 50,000 stock options to a consultant with a fair value of \$4,498. The options vests over six months and expire on May 26, 2023. The options had a grant date fair value of \$0.0900 per option determined using the Black-Scholes Options Pricing model with the following assumptions: no expected dividends; volatility of 100%; risk-free interest rate of 0.27% and expected life of 4.2 years.

On July 6, 2019, the Company granted 235,294 stock options to a consultant a fair value of \$41,327. The options vest immediately and expire one year after the grant date. The options had a grant date fair value of \$0.1756 per option determined using the Black-Scholes Options Pricing model with the following assumptions: no expected dividends; volatility of 100%; risk-free interest rate of 1.69% and expected life of one year. All options granted expired on July 6, 2020.

A summary of stock option activity for the three months ended June 30, 2021 and the year ended March 31, 2021 is as follows:

	Number of options	Weighted average exercise price
Outstanding, March 31, 2020	235,294	\$ 0.085
Granted	100,000	0.500
Expired	(235,294)	0.085
Outstanding, March 31, 2021	100,000	\$ 0.500
Granted	22,000	1.070
Outstanding and exercisable, June 30, 2021	122,000	\$ 0.600

Details of the options outstanding and exercisable as at June 30, 2021 are as follows:

Expiry date	Number of Options Outstanding	Number of Options Vested	Exercise price
May 26, 2023	100,000	100,000	\$ 0.20
June 28, 2023	22,000	22,000	\$ 0.20
Balance, June 30, 2021	122,000	122,000	

c. Warrants

A summary of warrant activity for the three months ended June 30, 2021 and the year ended March 31, 2021 is as follows:

	Number of warrants	Weighted average exercise price
Outstanding, March 31, 2020	-	\$ -
Issued	8,030,000	0.59
Outstanding, March 31, 2021	8,030,000	0.59
Issued	9,615,000	0.98
Exercised	(286,782)	0.24
Outstanding and exercisable, June 30, 2021	17,358,218	\$ 0.81

Boosh Plant-Based Brands Inc.

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(Expressed in Canadian dollars)

*(Unaudited)***13. SHARE CAPITAL (continued)***For the three months ended June 30, 2021:*

On May 26, 2021, the Company granted 5,750,000 warrants as part of the units issued pursuant to the initial public offering. An additional 615,000 warrants were issued as a finder's fee. Each warrant is exercisable into one common share at an exercise price of \$1.00 until May 26, 2022. The finder's warrants had a grant date fair value of \$0.6184 per warrant determined using the Black-Scholes Options Pricing model with the following assumptions: no expected dividends; volatility of 113%; risk-free interest rate of 0.30% and expected life of one year. During the period ended June 30, 2021, the Company recorded \$74,654 as share issuance costs relating to these warrants.

On May 31, 2021, the Company granted 3,000,000 warrants pursuant to the conversion of convertible debt (Note 11); each warrant is exercisable into one common share at an exercise price of \$1.00 until May 26, 2022.

On June 3, 2021, the Company granted 100,000 warrants as part of the units issued pursuant to the conversion of convertible debt (Note 11); each warrant is exercisable into one common share at an exercise price of \$1.00 until May 26, 2022.

The weighted-average remaining contractual life of warrants outstanding at June 30, 2021 was 1.54 years.

For the year ended March 31, 2021:

On December 21, 2020, as a result the RTO (Note 5), the Company issued 3,000,000 warrants to the Chief Executive Officer for services provided to the Company recorded as share-based payment. The warrants vest in two tranches, with the first tranche of 1,500,000 vesting at the date of completion of the IPO, and the second tranche vesting six months after completion of the IPO. The warrants are exercisable into one common share per warrant at an exercise price of \$0.50 until December 21, 2025. The warrants have a total fair value of \$304,675 determined using the Black-Scholes option pricing model with the following weighted average assumptions: no expected dividends to be paid; volatility of 100%; risk-free interest rate of 0.44%; and expected life of 5 years. Share-based payments expense of \$79,873 was recorded for the three months ended June 30, 2021 (2020 – \$Nil).

On December 22, 2020, the Company granted 150,000 warrants to a consultant with a fair value of \$10,471. The warrants will vest on the close of the IPO and expire three years after the grant date. The warrants had a grant date fair value of \$0.0698 per warrant determined using the Black-Scholes Options Pricing model with the following assumptions: no expected dividends; volatility of 100%; risk-free interest rate of 0.23% and expected life of three years. During the period ended June 30, 2021, the Company recorded \$2,398 (2020 - \$Nil) relating to the vesting of these warrants.

On January 8, 2021, the Company granted 474,750 warrants as part of the units issued pursuant to the private placement that took place on that day. An additional 2,500 warrants were granted as part of the units issued as a finder's fee pursuant to the same private placement. Each warrant is exercisable into one common share at an exercise price of \$1.00 until January 8, 2023.

Pursuant to the private place closed on January 8, 2021, 2,500 warrants were issued as a finder's fee; each warrant is exercisable into one common share at an exercise price of \$0.20 until January 8, 2023.

Boosh Plant-Based Brands Inc.

Notes to the Condensed Consolidated Interim Financial Statements

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*(Unaudited)***13. SHARE CAPITAL (continued)**

As at June 30, 2021, the Company had outstanding share purchase warrants as follows:

Number of warrants	Exercise price	Expiry date
2,000,000*	\$ 0.20	May 26, 2023
200,800*	0.20	December 21, 2022
2,310,250*	1.00	December 21, 2022
3,000,000	0.50	December 21, 2025
2,500	0.20	January 8, 2023
447,250	1.00	January 8, 2023
9,247,418	1.00	May 26, 2022
150,000	0.50	May 26, 2024
17,358,218		

*Assumed by the Company on December 21, 2020, as a result of the RTO (Note 5). The value of the warrants was determined using the Black-Scholes option pricing model with the following weighted average assumptions: no expected dividends to be paid; volatility of 100%; risk-free interest rate of 0.24%; and expected life of 2 to 2.37 years. As a result, the fair value of \$118,762 for these warrants has been recorded in reserves.

14. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties and related party transactions impacting the condensed consolidated interim financial statements are summarized below.

Key management compensation

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. Key management personnel comprise officers and directors of the Company.

Remuneration attributed to key management personnel for the three months ended June 30, 2021 and 2020:

	June 30, 2021	June 30, 2020
Management fees	\$ 65,380	\$ -
Professional fees	52,117	-
Share-based payments	82,271	-
	\$ 199,769	\$ -

Other compensation

During the three months ended June 30, 2021, the Company incurred salaries and wages of \$9,907 (2020 - \$nil) from an individual related to the President of the Company.

Due to related parties

As at June 30, 2021, due to related parties of \$282 (March 31, 2021 - \$66,329) consisted of cash loans made to the Company by related parties. As at June 30, 2021, accounts payable and other liabilities included \$19,159 (March 31, 2021 - \$19,671) in professional fees and expense reimbursements owing to related parties. These amounts are due on demand, unsecured and non-interest-bearing.

Boosh Plant-Based Brands Inc.

Notes to the Condensed Consolidated Interim Financial Statements

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*(Unaudited)***14. RELATED PARTY TRANSACTIONS AND BALANCES (continued)****Restricted Share Units**

Upon completion of the RTO (Note 5) on December 21, 2020, the Company entered into a consulting agreement with the President and a company controlled by the President. Pursuant to the agreement, the Company granted 3,000,000 restricted share units ("RSUs") to the President to receive common shares in the capital of the Company upon achievement of certain milestones as follows:

- a) If in any rolling 12 months following the date of issuance of the RSUs until December 21, 2024, the annual net gross sale revenues of Boosh are or exceed \$2,000,000, 1,000,000 of the underlying Shares shall vest;
- b) If in any rolling 12 months following the date of issuance of the RSUs until the expiry date, the annual revenues of Boosh are or exceed \$4,000,000, a further 1,000,000 of the underlying Shares shall vest; and
- c) If in any rolling 12 months following the date of issuance of the RSUs until the expiry date, the annual revenues of Boosh are or exceed \$8,000,000, the final 1,000,000 underlying Shares shall vest.

The performance conditions are not related to the market price of the equity instruments of the Company and, as a result, they are non-market performance conditions.

As at the effective date of the contract, management estimates that based on the milestones none of the RSUs are currently expected to vest and as such no share-based payments have been recorded. As at June 30, 2021, none of the milestones have been met and no RSUs have vested. Management re-evaluates its assessment every reporting period and changes, if any, will be reflected in future periods.

15. ECONOMIC DEPENDENCE

For the three months ended June 30, 2021, \$20,609 or 62% (2020 - \$6,601 or 73%) of the Company's revenue was earned from two key customers.

	2021	2020
Customer A	\$ 17,388	\$ -
Customer B	3,221	3,203
Customer C	-	3,398
	\$ 20,609	\$ 6,601

16. SUBSEQUENT EVENTS

- a) On July 14, 2021, the Company entered into an Asset Purchase Agreement ("the Asset Purchase Agreement") with Saltspring Harvest Ltd. pursuant to which the Company acquired the assets which relate to Saltspring Harvests' business in exchange for \$150,000 paid as follows:
 - a) \$50,000 in cash at closing
 - b) \$75,000 in cash and \$25,000 in common shares upon completion of the transition
- b) Subsequent to June 30, 2021, the Company issued 536,500 common shares for warrant exercises at a weighted average exercise price of \$0.25 for gross proceeds of \$136,500.
- c) On July 6, 2021, the Company granted 20,000 stock options to the officers of the Company exercisable at \$1.10 per common share until July 6, 2023.
- d) On July 1, 2021, the Company's common stock began listing on the OTC Pink market maintained by OTC Markets, Inc. as "VGGIF".

Boosh Plant-Based Brands Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended June 30, 2021 and 2020

(Expressed in Canadian dollars)

(Unaudited)

16. SUBSEQUENT EVENTS (continued)

- e) On August 4, 2021, the Company entered into a Media Services Contract (the “Media Contract”) with Market One Media Group Inc. for marketing services. As compensation for the services, the Company shall pay \$65,000 as follows:
 - a) \$50,000 including taxes paid in cash at closing
 - b) \$15,000 paid through issuance of 50,000 warrants, exercisable into one common share at an exercise price of \$1.00 until May 26, 2023

- f) On August 5, 2021, the Company entered into a Marketing Services Agreement and Consignment Agreement with Vejii Holdings Ltd. (“Vejii”). Vejii will offer the Company’s products on their e-commerce marketplace. As consideration for the services, the Company will pay Vejii \$40,000 in cash and budget \$20,000 for a digital marketing campaign.