
Revitalist Lifestyle and Wellness Ltd.

Unaudited Condensed Interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2022 and 2021

(Expressed in Canadian dollars, unless otherwise noted)

NOTICE OF DISCLOSURE OF NON-AUDITOR REVIEW OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to National-Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities administrators, 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 consolidated financial statements of the Company for the interim period ended September 30, 2022, have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board applicable to the preparation of interim financial statements including International Accounting Standard 34- Interim Financial Reporting and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements

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

Revitalist Lifestyle and Wellness Ltd.

Unaudited Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	September 30, 2022	December 31, 2021
	\$	\$
Assets		
Current		
Cash	170,140	3,886,851
Accounts receivable (Note 5)	279,550	153,291
Prepaid expenses	9,806	125,635
	459,496	4,165,777
Lease deposits	155,877	161,392
Property and equipment (Note 6)	401,583	407,294
Right-of-use assets (Note 10)	5,386,458	5,221,164
Goodwill (Note 8)	1,063,630	1,063,510
Intangible assets (Note 7)	799,650	725,650
	8,266,694	11,744,787
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 9)	1,104,174	686,674
Acquisition consideration payable (Note 4)	25,794	1,916,556
Debenture Interest Payable	130,984	-
Lease obligations (Note 10)	919,051	679,507
	2,180,003	3,282,737
Long term lease obligations (Note 10)	5,175,316	4,805,944
Long term share consideration payable (Note 4)	23,050	-
Debenture (Note 12)	3,073,855	-
	8,272,221	8,088,681
Shareholders' Equity (Deficiency)		
Share capital (Note 14)	13,439,530	13,369,210
Contributed Surplus	5,748,376	3,198,819
Deficit	(20,831,921)	(12,613,135)
Accumulated other comprehensive loss	(313,047)	(130,481)
	(1,957,062)	3,824,413
Non-controlling interest (Note 11)	(228,468)	(168,307)
Total Equity	(2,185,530)	3,656,106
Total Liabilities and Equity	8,266,694	11,744,787

Nature of operations and going concern (Note 1)

Contingency (Note 17)

Subsequent event (Note 18)

Approved by the Board of Directors:

"Kathryn Walker"

Kathryn Walker, Director and CEO

"Corby Marshall"

Corby Marshall, Director

Revitalist Lifestyle and Wellness Ltd.

Unaudited Condensed Interim Consolidated Statements of Operations and Comprehensive Loss
(Expressed in Canadian dollars)

	Three Months End Sept 30		Nine Months End Sept 30	
	2022	2021	2022	2021
Revenue				
Patient services	1,287,016	594,790	3,722,936	1,115,822
Expenses				
Accretion of share consideration payable (Note 4)	60	77,929	780	189,509
Advertising and promotion	147,898	736,085	674,431	792,363
Amortization and depreciation (Notes 6 and 7)	29,922	209,821	108,622	309,307
Amortization of right-of-use assets (Note 10)	358,994	174,663	967,472	297,926
Dues and subscriptions	23,235	5,546	80,275	14,047
Insurance	25,718	14,914	83,891	30,685
Interest and bank charges	160,469	6,059	262,954	9,245
Interest expense on lease liability (Note 10)	191,946	135,260	622,348	227,021
Meals and entertainment	73	1,989	2,854	4,121
Medication and supplies	76,555	91,158	271,213	172,857
Office and administrative	292,355	140,557	584,132	285,049
Professional fees	147,922	339,730	434,576	479,160
Revitaland Development	0	-	150,403	-
Salaries and Wages	1,573,711	1,554,194	5,685,575	2,512,641
Share based compensation employees	205,025	1,034,825	1,167,841	1,136,360
Share based compensation debenture	1,352,036		1,352,036	
Share based compensation related to acquisition				3,383,532
Utilities	93,903	43,440	207,421	71,463
Loss before other items	3,392,806	4,566,170	8,933,888	8,799,464
Foreign exchange	- 100	4,191	-220	21,628
Gain on convertible debenture derivative liability	0		-654,721	
Net loss for the year	3,392,706	3,975,571	8,278,947	8,821,092
Unrealized loss on translation to reporting currency	-109,479	49,634	182,566	43,608
Comprehensive loss for the year	3,283,227	4,025,205	8,461,513	8,864,700
Net loss attributable to:				
Shareholders of the Company	3,392,706	3,975,571	8,218,786	8,821,092
Non-controlling interests	0	0	60,161	-
	3,492,706	3,975,571	8,278,947	8,821,092
Net comprehensive loss attributable to:				
Shareholders of the Company	3,283,227	4,025,205	8,401,352	8,864,700
Non-controlling interests	0	-	60,161	-
	3,283,227	4,025,205	8,461,513	8,864,700
Loss per share (basic and diluted)	0.05	0.07	0.12	0.18
Weighted average number of common shares outstanding	68,164,430	59,774,273	67,864,852	49,286,942

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

Revitalist Lifestyle and Wellness Ltd.

Unaudited Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars)

	Common Shares	Share Capital	Share options and warrants	Deficit	Non- controlling interest	Accumulated Other Comprehensive Loss	Total Equity
Balance, December 31, 2020	25,750,001	-	-	(4,731)	-	-	(4,731)
Shares issued	23,246,917	9,404,962	-	-	-	-	9,404,962
Shares issuable on acquisition (Note 5)	18,715,662	5,614,699	-	-	-	-	5,614,699
Share issuance costs		(557,936)					(557,936)
Warrants Issued	-	(1,092,515)	1,092,515	-	-	-	-
Stock based compensation			2,106,304				2,106,304
Net loss for the period	-	-	-	(12,608,404)	(168,307)	-	(12,776,711)
Translation adjustments	-	-	-	-	-	(130,481)	(130,481)
Balance, December 31, 2021	67,120,580	13,369,210	3,198,819	(12,613,135)	(168,307)	(130,481)	3,656,106
Balance, December 31, 2021	67,712,580	13,369,210	3,198,819	(12,613,135)	(168,307)	(130,481)	3,656,106
Issue shares to cancel contract	1,282,051	100,000					100,000
Cancellation of shares	(424,000)	(29,680)	29,680				-
Share based compensation			2,519,877				2,519,877
Net loss for the period	-	-	-	(8,218,786)	(60,161)	-	(8,269,047)
Translation adjustments	-	-	-	-	-	(182,566)	(182,566)
Balance, September 30, 2022	68,570,631	13,439,530	5,748,376	(20,831,921)	(228,468)	(313,047)	(2,185,530)

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

Revitalist Lifestyle and Wellness Ltd.Consolidated Statement of Cash Flows
(Expressed in Canadian dollars)

	Nine months ended September 30, 2022	Nine months ended September 30, 2021
	\$	\$
Cash provided by (used in):		
Operating activities		
Net Loss	(8,278,786)	(8,821,092)
Add (deduct) items not affecting cash:		
Amortization of right-of-use assets	961,349	297,925
Amortization and depreciation	114,744	309,298
Foreign currency translation	(182,574)	(43,608)
Accretion of share consideration payable	23,050	-
Share based compensation	2,519,877	1,136,360
Share based compensation on acquisition	(570,145)	3,383,532
Accounts receivable and deposits	(120,744)	1,735,184
Prepaid expenses and deposits	115,829	(331,547)
Accounts payable and accrued liabilities	547,570	236,242
Net cash (used in) provided by operating activities	(4,869,830)	(1,674,772)
Investing activities:		
Cash paid for purchase of intangible assets	(80,122)	-
Cash paid for purchase of property and equipment	(102,931)	-
Cash paid on Revitalist acquisition	(1,890,762)	(176,711)
Cash obtained on acquisition		352,417
Increase in right-of-use assets	(1,126,643)	
Lease payments	608,916	(377,397)
Net cash used in investing activities	(2,591,542)	(201,691)
Financing activities		
Proceeds from issuance of share capital (net of expenses)	100,000	5,819,562
Proceeds from issue of debenture	3,644,661	
Net cash from financing activities	3,744,661	5,819,562
Net change in cash	(3,716,711)	3,943,089
Cash, beginning of period	3,886,851	-
Cash, end of period	170,140	3,943,089

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

Revitalist Lifestyle and Wellness Ltd.

Notes to the unaudited condensed interim consolidated financial statements

For the nine months ended September 30, 2022 and 2021

(expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Revitalist Lifestyle and Wellness Ltd. (formerly Dealpool Capital Corp.) (the “Company” or “Revitalist” or “Group”) is a publicly listed company incorporated in the Province of British Columbia on July 6, 2018, under the Business Corporations Act of British Columbia. The Company’s common shares are listed on the Canadian Securities Exchange under the symbol “CALM.” The Company’s registered records office is located at 1008 – 550 Burrard Street, Vancouver, British Columbia, V6C 2B5 and its head office is located at 10608 Flickenger Lane, Knoxville, TN, 37922.

Revitalist is a mental health company enabling safe access to psychedelic medicine through a network of clinics located in the United States. Revitalist provides ketamine-assisted psychotherapy and other novel treatments through its network of integrative mental health clinics.

These unaudited condensed interim consolidated financial statements comprise the financial statements of the Company, its legal subsidiaries, Ketamine Holdings Ltd. (“Ketamine Holdings”), Ketamine Holdings (USA) Ltd. (“Ketamine Holdings (USA)”), Revitalist, LLC (“Revitalist, LLC”), Revitaland Meta Tech Inc. (“Revitaland”) and one ketamine clinic in the United States owned by state-licensed physicians and organized as professional medical corporations (“PCs”).

These unaudited condensed interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which presumes that the Company will realize its assets and discharge its liabilities in the normal course of business for at least the next twelve months.

The Company will require additional financing in the next twelve months and has historically raised funds principally through the sale of securities. The Company expects it will continue to obtain funding; however, the timing and availability of additional financing will be determined largely by the performance of the Company and market conditions. There can be no assurance that the Company will be able to raise funds as they are required in the future. The Company has a cumulative deficit of \$20,931,921 and negative cash flow for the period from operations of \$7,631,512. These factors indicate the existence of a material uncertainty that casts significant doubt about the Company’s ability to continue as a going concern.

These unaudited condensed interim financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for These unaudited condensed interim financial statements, then adjustments would be necessary to reflect These unaudited condensed interim financial statements on a liquidation basis which could differ from accounting principles applicable to a going concern.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. At this point, the impact on the Company has been minimal. The Company continues to monitor the situation and is taking all necessary precautions in order to follow rules and best practices as set out by the federal and provincial governments.

Revitalist Lifestyle and Wellness Ltd.

Notes to the unaudited condensed interim consolidated financial statements

For the nine months ended September 30, 2022 and 2021

(expressed in Canadian dollars)

2. BASIS OF PREPARATION

a) Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. Accordingly, they do not include all the information and notes to the consolidated financial statements required by IFRS for complete financial statements and should be read in conjunction with the Company’s most recent audited consolidated financial statements. In preparation of these condensed interim consolidated financial statements, the Company has consistently applied the same accounting policies disclosed in the Company’s audited annual financial statements for the year ended December 31, 2021.

These unaudited condensed interim financial statements were authorized for issue by the Board of Directors on November 29, 2022.

b) Basis of measurement

These unaudited condensed interim financial statements are a continuation of the consolidated financial statements of the Company and have been prepared on a historical cost basis except for certain financial instruments, which are measured at fair value.

The preparation of These unaudited condensed interim financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies.

c) Basis of consolidation

These unaudited condensed interim financial statements comprise the financial statements of the Company, its legal subsidiaries and one PC, RVLWF, PLLC. Subsidiaries are those entities which the Company controls by having the power to govern the financial and operational policies of the entity. This control is generally evidenced through owning more than 50% of the voting rights or currently exercisable potential voting rights of a company’s share capital. All intercompany transactions and balances have been eliminated. The Company controls the following entities:

	Percentage ownership interest	
	2021	2020
KETAMINE HOLDINGS	100%	0%
KETAMINE HOLDINGS (USA)	100%	0%
REVITALIST, LLC	100%	0%
REVITALAND META TECH INC.	60%	0%

Revitalist Lifestyle and Wellness Ltd.

Notes to the unaudited condensed interim consolidated financial statements
For the nine months ended September 30, 2022 and 2021
(expressed in Canadian dollars)

2. BASIS OF PREPARATION (cont'd)

d) Functional and presentation currency

The Group's presentation currency is the Canadian dollar. The functional currency of Revitalist, Ketamine Holdings, and Ketamine Holdings (USA) is the Canadian dollar. The functional currency of Revitalist, LLC, Revitaland and RVLWF, PLLC is the US dollar ("USD"). Foreign currency transactions are translated into the functional currency at the exchange rate as at the date of the transaction. At each statement of financial position date, monetary assets and liabilities in foreign currencies are translated using the period end foreign exchange rate. Nonmonetary assets and liabilities in foreign currencies are translated using the historical rate. All gains and losses on translation of these foreign currency transactions are included in profit and loss. The results and financial position of a subsidiary that has a functional currency different from the presentation currency are translated into the presentation currency as follows:

- i. Assets and liabilities are translated at the closing rate at the reporting date;
- ii. Income and expenses for each income statement are translated at average exchange rates for the period; and
- iii. All resulting exchange differences are recognized in other comprehensive income as cumulative translation adjustments.

On consolidation, exchange differences arising from the translation of the net investment in a foreign operation are taken to accumulated other comprehensive loss. When a foreign operation is sold, such exchange differences are recognized in profit or loss as part of the gain or loss on sale.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in these unaudited condensed consolidated interim financial statements are the same as those applied in the Company's annual audited consolidated financial statements as at and for the year ended December 31, 2021.

4. ACQUISITIONS

Florida Acquisition

On January 11, 2022, Revitalist acquired 100% of the assets of a medical clinic located in Florida "Florida Acquisition". The purchase price for the Florida Acquisition was \$100,000 US dollars, with \$60,000 US dollars payable in cash on January 11, 2022, and \$40,000 US dollars payable in Common Shares of the Company in two equal instalments on January 11, 2023, and January 11, 2024.

The Florida Acquisition was accounted for as a business combination as the assets acquired and liabilities assumed constitute a business. The transaction was accounted for using the acquisition method of accounting whereby the assets acquired, and the liabilities assumed were recorded at their estimated fair value at the acquisition date. The Company has allocated 100% of the purchase price to customer lists. These provisional amounts may be adjusted during the measurement period, or additional assets may be recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

Revitalist Lifestyle and Wellness Ltd.

Notes to the unaudited condensed interim consolidated financial statements
For the nine months ended September 30, 2022 and 2021
(expressed in Canadian dollars)

4. ACQUISITIONS (cont'd)

The allocation of the components of total consideration to the assets acquired was as follows:

Consideration	\$
Acquisition consideration payable	42,291
Cash consideration paid	74,976
	<u>117,267</u>
Assets acquired	\$
Customer list	117,267
Total net assets acquired	<u>117,267</u>

The Company recorded accretion expense of \$780 during the period bringing the acquisition consideration payable to \$43,294 as at September 30, 2022. The discount rate used to determine the present value of the liability was 11.3% over a period of one year.

Revitalist Acquisition

On February 16, 2021, Ketamine Holdings (USA) entered into an agreement to acquire 100% of the membership interest of Revitalist, LLC (the "Revitalist Acquisition").

Consideration was payable as follows: \$150,000 USD cash on closing, and the remainder on or before June 30, 2022. The transaction closed on April 19, 2022.

The Revitalist Acquisition was accounted for as a business combination as the assets acquired and liabilities assumed constitute a business. The transaction was accounted for using the acquisition method of accounting whereby the assets acquired, and the liabilities assumed were recorded at their estimated fair value at the acquisition date. The Company applied various estimates and valuation techniques in order to measure the assets acquired and the liabilities assumed in the business combination.

The allocation of the components of total consideration to the net assets acquired was as follows:

Consideration	\$
Acquisition consideration payable	1,736,871
Cash consideration paid	190,170
	<u>1,927,041</u>
Net assets acquired	\$
Cash	13,445
Accounts receivable	3,453
Property and equipment	89,195
Right-of-use asset	727,965
Customer list	322,000
Brand and trademark	460,000
Goodwill	1,063,510
Accounts payable and accrued liabilities	(24,562)
Lease obligations	(727,965)
Total net assets acquired	<u>1,927,041</u>

Revitalist Lifestyle and Wellness Ltd.

Notes to the unaudited condensed interim consolidated financial statements
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(expressed in Canadian dollars)

4. ACQUISITIONS (cont'd)

The acquisition consideration payable was settled on April 19, 2022.

The resulting goodwill represents the sales and growth potential of Revitalist, LLC and will be deductible for tax purposes.

Ketamine Holdings Acquisition

On February 19, 2021, Revitalist acquired 100% of the outstanding shares of Ketamine Holdings and issued 18,715,662 common shares to the shareholders of Ketamine Holdings. The Acquisition does not constitute a business combination under IFRS 3 Business Combinations as Revitalist did not meet the definition of a business prior to the transaction. Accordingly, the Acquisition has been accounted for as an acquisition by Ketamine Holdings of the Company's net assets. In accordance with the principles of reverse take-over accounting, Ketamine Holdings will report the operations and its related historical comparatives as its continuing business.

The acquisition date fair value of the consideration was estimated based on the net asset value of the Company using the last financing price in Revitalist as follows:

	\$
Consideration paid	
Common shares issued (18,715,662 common shares at \$0.30)	5,614,699
Assets (liabilities) acquired	
Cash	352,417
Prepaid expenses and deposits	100,000
Subscriptions receivable	1,781,791
Accounts payable and accrued liabilities	(3,040)
Net assets acquired	2,231,167
Acquisition expense – share based compensation	3,383,532

The share-based compensation represents the services and knowledge related to the expertise that the Ketamine Holdings brings to the Company.

5. ACCOUNTS RECEIVABLE

	June 30, 2022	December 31, 2021
	\$	\$
Trade receivables	181,719	85,957
GST and taxes recoverable	97,831	67,334
	279,550	153,291

Trade receivables relates to amounts receivable from patients/insurance for treatments completed at the clinics. No expected credit loss allowance was recorded for accounts receivable. No receivables were written off during the period.

Revitalist Lifestyle and Wellness Ltd.

Notes to the unaudited condensed interim consolidated financial statements

For the nine months ended September 30, 2022 and 2021

(expressed in Canadian dollars)

6. PROPERTY AND EQUIPMENT

	Furniture and Fixtures	Computer Equipment and Software	Leasehold Improvements	Total
	\$	\$	\$	\$
Cost				
Balance, December 31, 2021	102,356	172,179	181,165	455,700
Additions	8,307	43,221	33,600	85,128
Balance, Sept 30, 2022	110,663	215,400	214,765	540,828
Depreciation				
Balance, December 31, 2021	10,573	12,494	25,339	48,406
Additions	22,161	31,870	36,808	90,839
Balance, Sept 30, 2022	32,734	44,364	62,147	139,245
Balance, December 31, 2021	91,783	159,685	155,826	407,294
Balance, Sept 30, 2022	77,929	171,036	152,618	401,583

7. INTANGIBLE ASSETS

	Brand and Trademark	Customer List	Total
	\$	\$	\$
Cost			
Balance, December 31, 2021	460,000	322,000	782,000
Additions		106,200	106,200
Balance, Sept 30, 2022	460,000	428,200	888,200
Amortization			
Balance, December 31, 2021	-	56,350	56,350
Additions	-	32,200	32,200
Balance, Sept 30, 2022	-	88,550	88,550
Balance, December 31, 2021	460,000	265,650	725,650
Balance, Sept 30, 2022	460,000	339,650	799,650

8. GOODWILL

	Total
	\$
Cost	
Balance, December 31, 2021	1,063,510
Additions	120
Balance, Sept 30, 2022	1,063,630

Revitalist Lifestyle and Wellness Ltd.

Notes to the unaudited condensed interim consolidated financial statements
For the nine months ended September 30, 2022 and 2021
(expressed in Canadian dollars)

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	30 Sept 22	31-Dec-21
	\$	\$
Trade accounts payable	291,936	54,381
Accrued liabilities	265,983	298,924
Amount due director	352,394	
Payroll liabilities	193,861	333,369
	1,104,174	686,674

10. RIGHT OF USE ASSET AND LEASE LIABILITY

	Right of Use Asset
	\$
Cost	
Balance, December 31, 2021	5,778,704
Additions	1,171,895
Balance, Sept 30, 2022	6,950,599
Depreciation	
Balance, December 31, 2021	(557,540)
Additions	(1,006,601)
Balance, Sept 30, 2022	(1,564,141)
Balance, December 31, 2021	5,221,164
Balance, Sept 30, 2022	5,386,458

The Company's right-of-use assets consist of clinic premises and medical equipment leases.

The following is the continuity of lease liabilities, for the nine months ended Sept 30, 2022:

	Sept 30, 2022
	\$
Opening balance, December 31, 2021	5,485,451
Additions	-
Lease payments	(932,483)
Interest expense on lease liabilities	622,348
	6,094,367
Current portion	919,051
Long-term portion	5,175,316

Revitalist Lifestyle and Wellness Ltd.

Notes to the unaudited condensed interim consolidated financial statements
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(expressed in Canadian dollars)

10. RIGHT OF USE ASSET AND LEASE LIABILITY (cont'd)

	December 31, 2021
	\$
Opening balance, December 31, 2020	-
Assumed at Acquisition	727,965
Additions	5,050,739
Lease payments	(702,713)
Interest expense on lease liabilities	409,460
	5,485,451
Current portion	679,507
Long-term portion	4,805,944

As at Sept 30, 2022, the minimum lease payments for the lease liabilities are as follows:

Year ending:	\$
2022	541,733
2023	1,746,342
2024	1,770,303
2025	1,762,737
2026	1,060,138
2027	245,873
2028-2032	1,106,532
	8,233,658
Less: Interest expense on lease liabilities	2,139,291
Total present value of minimum lease payments	6,094,367

When measuring lease obligations, the Company's incremental borrowing rate applied was 14.3% per annum.

11. NON-CONTROLLING INTEREST

The non-controlling interest represents equity in Revitaland that is not attributable to the Company.

The following table represents the summarized financial information of Revitaland:

Ownership interest: 60%	30-Sept -22	31-Dec-21
	\$	\$
Current assets	-	-
Non-current assets	-	-
Current liabilities	-	-
Non-current liabilities	571,777	420,768
Revenue for the year ended	-	-

Revitalist Lifestyle and Wellness Ltd.

Notes to the unaudited condensed interim consolidated financial statements

For the nine months ended September 30, 2022 and 2021

(expressed in Canadian dollars)

Net loss for the year ended	150,403	420,768
Net loss attributable to non-controlling interest	60,161	168,307

The net change in the non-controlling interest is as follows:

		\$
Balance, December 31, 2021		168,307
Net loss attributable to non-controlling interest		60,161
Balance, Sept 30, 2022		228,468

12. Debenture

On April 19, 2022, the company closed its first tranche of non-brokered private placement offering for aggregate gross proceeds to the Company of \$3,644,000 (the "Private Placement"). Pursuant to the Private Placement, the Company issued convertible note units (the "Units") at a subscription price of \$1,000 per Unit, each Unit composed of (i) \$1,000 in principal amount of unsecured convertible note of the Company (a "Note") and (ii) 3,500 detachable common share purchase warrants (each warrant, a "Warrant"). Each Note matures in 36 months from the date of issuance ("Maturity Date") and will accrue simple interest at 8% ("Interest") per annum, payable quarterly. Each Note, and any accrued but unpaid interest thereon, is convertible into common shares of the Company at a conversion price of \$0.15 at any time prior to the Maturity Date. Each Warrant will be exercisable at \$0.20 per share at any time until the date that is 24 months from the date of issuance ("Expiry Date"). In the event that, at any time after the date of issuance and before the Expiry Date, the 15 day trading volume weighted average price of the common shares of the Company on the Canadian Securities Exchange exceeds \$0.50, the Company is entitled to accelerate the expiry date of the Warrants to the date that is not less than 30 trading days following the date notice of such acceleration is delivered to Warrant holders. The convertible debentures are recognized as having two separate liability components. Firstly, the units which are recognized as a derivative liability and fair valued each reporting period, and secondly the convertible debenture liability, which is fair valued at the time of issue, and then accounted for at amortized cost and accreted to the face value over the life of the convertible debentures.

At inception, the Company recognized a deferred unrealized gain in the amount of \$654,721, which was the difference between the fair value of the combined liability and the proceeds received. The deferred unrealized gain has been recorded against the convertible debentures on the balance sheet and will be amortized over the life of the warrants. Any subsequent fair value changes will be recognized in the Statement of Income (Loss) and Comprehensive Income (Loss)

In accordance with IFRS 9 – Financial Instruments ("IFRS 9"), it has been determined that the respective convertible debentures are, for IFRS purposes, hybrid debt instruments which contain non-cash embedded derivative liabilities associated with the conversion features of the debentures into units. IFRS 9 further determines that the debenture is to be measured at amortized cost and the noncash embedded derivative is to be measured at fair value.

The conversion feature of the Convertible Debenture representing the equivalent of 24,923,333 shares at \$0.15 has been treated as an option with a Black Scholes value of \$0.078 per option and is being expensed over the three year term of the debenture.

The convertible debentures and non-cash derivative liabilities have a combined carrying value of \$3,644,661, representing the discounted face value of the debentures of \$570,806 and the fair value of the non-cash embedded derivative liability of \$3,073,855.

13. RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel compensation

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Key management is composed of the Company's directors and executive officers. The Company incurred the following key management compensation charges during the nine months ended Sept 30:

	2022	2021
	\$	\$
Salaries, bonuses, fees, and benefits	146,108	28,846
Share based compensation	99,248	45,669
	211,249	74,515

13. RELATED PARTY TRANSACTIONS AND BALANCES (cont'd)

During the nine months ended September 30, the Company made the following lease payments to a company controlled by the CEO:

	2022	2021
	\$	\$
Lease payments	128,772	25,546
	128,772	25,546

The Company had the following outstanding amounts owed to a related party as at:

	Sept 30, 2022	December 31, 2021
	\$	\$
Accounts payable	352,394	5,291

14. SHARE CAPITAL

Authorized Share Capital

The Company has an unlimited number of common shares without par value authorized for issuance. As at September 30, 2022, the Company had 68,994,631 (December 31, 2021 - 67,712,580) common shares issued and outstanding.

Share Transactions

On February 3, 2021, The Company closed a private placement and issued 5,700,000 common shares for proceeds of \$430,075.

On February 19, 2021, the Company issued 18,715,662 common shares per the transaction described in Note 4.

On July 14, 2021, the company closed a private placement for aggregate gross proceeds of \$5,594,887 through the issuance of 11,189,774 special warrants at a price of \$0.50 per special warrant. Each special warrant entitled the holder to receive one common share of the Company. The special warrants converted to common shares at the time the Company listed its shares for trading on the Canadian Securities Exchange on August 24, 2021.

On November 17, 2021, the Company closed a private placement for aggregate gross proceeds of \$3,000,000 through the issuance of 5,357,143 common share units. Each unit consisted of one

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common share and 1 common share purchase warrants with an exercise price of \$0.69 each. The fair market value of these warrants using the residual value method was \$ 964,286. The exclusive placement agent in the transaction received warrants with an exercise price of \$0.56 each (“Agent Warrants”). All warrants issued may be exercised over a period of 5 years. The fair value of the Agent Warrants granted during the period using the Black Scholes option pricing model was \$128,229. The following assumptions were used: exercise price of \$0, estimated volatility of 150% based on comparable companies, expected life of 5 years and a risk-free rate of 0.14%.

On November 19, 2021, the Company issued 1,000,000 common shares with a fair value of \$380,000 pursuant to a development agreement.

On April 19, 2022 the Company issued a three year convertible debenture in the amount of \$3,644,000. Terms of the debenture grant the debenture holders on option to convert their loan into common shares at \$0.15, which if exercised, would result in the issue of 24,293,333 common shares. In addition, the note holders were granted a total of 12,754,000 warrants exercisable within 24 months, each warrant exercisable into one common share at a price of \$0.20 per share.

On August 18, 2022 the Company issued 1,282,051 common shares valued for a total of \$100,000 as compensation for the cancellation of an agreement.

On August 26, 2022 the Company accepted the return of 424,000 common shares due to the non-performance of an agreement. The shares were valued at \$0.07 ea for a total of \$29,680.

The Company incurred share issuance costs of \$557,936 related to the private placements.

14. SHARE CAPITAL (cont'd)

Options

Movements in the number of options outstanding and their related weighted average exercise prices are as follows:

	Number of options	Weighted average exercise price
		\$
Outstanding, December 31, 2021	7,690,000	0.42
Granted under debenture	24,293,333	.015
Broker options debenture	262,500	0.15
Granted	675,000	0.16
Forfeited	-2,685,000	0.41
Outstanding, Sept 30, 2022	30,235,833	\$ 0.201
	Number of options	Weighted average exercise price
		\$
Outstanding, December 31, 2020	-	-
Granted	3,050,000	0.30
Granted	4,525,000	0.50
Granted	105,000	0.60
Granted	10,000	0.67
Outstanding, December 31, 2021	7,690,000	0.42

The fair value of each tranche is measured at the date of grant using the Black-Scholes option pricing model.

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Weighted average of option model inputs and fair value for options granted during the nine months ended Sept 2022 were as follows:

Options #	Share Price \$	Exercise Price \$	Risk-free Interest Rate %	Expected Life (years)	Volatility Factor %	Fair Value Per Option \$
430,000	0.20	0.20	0.10%	5	150%	0.18
24,929,333	0.08	0.15	2.00%	3	300%	0.08
262,500	0.08	0.15	2.00%	3	300%	0.08
225,000	0.09	0.09	3.00%	5	200%	0.09
20,000	0.09	0.20	3.00%	5	300%	0.09

The following summarizes information about the outstanding stock options exercisable to acquire common shares of the Company as at Sept 30, 2022 and December 31, 2021:

Sept 30, 2022:

#	Weighted average remaining contractual life (years)	Weighted average exercise price \$
29,973,333	2.01	0.20

December 31, 2021:

#	Weighted average remaining contractual life (years)	Weighted average exercise price \$
7,690,000	4.38	0.42

As of Sept 30, 2022, 4,555,000 stock options had vested (December 31, 2021 - nil).

14. SHARE CAPITAL (cont'd)

Movements in the number of restricted stock units outstanding and their related weighted average exercise prices are as follows:

	Units #	Weighted average exercise price \$
Outstanding, December 31, 2021	1,500,000	-
Granted	130,000	-
Outstanding, Sept 30, 2022	1,630,000	-
	#	\$
Outstanding, December 31, 2020	-	-
Granted	1,500,000	-
Outstanding, December 31, 2021	1,500,000	-

Restricted stock units

The following summarizes information about the outstanding restricted stock units exercisable to acquire common shares of the Company as at Sept 30, 2022 and December 31, 2021:

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June 30, 2022:

Outstanding			Exercisable		
Number of units	Weighted average remaining contractual life (years)	Weighted average exercise price \$	Number of options	Weighted average remaining contractual life (years)	Weighted average exercise price \$
1,630,000	3.83	-	1,565,000	3.83	-

December 31, 2021:

Outstanding			Exercisable		
Number of units	Weighted average remaining contractual life (years)	Weighted average exercise price \$	Number of units	Weighted average remaining contractual life (years)	Weighted average exercise price \$
1,500,000	4.53	-	375,000	4.53	-

Warrants

Warrants entitle the holder thereof to acquire one common share. No fractional shares are issuable upon the exercise of warrants. The Company may either pay a cash amount or round up to the nearest whole share in such circumstances. Warrants do not have any voting or pre-emptive rights or any other rights which a holder of common shares would have.

The following is a schedule of the warrants outstanding as at September 30, 2022 and December 31, 2021:

	Number of warrants	Weighted average remaining contractual life (years)	Weighted average exercise price \$
Outstanding, December 31, 2021	5,732,143	4.16	0.68
Issued under Debenture	12,754,000	1.58	.20
Broker warrants	262,500	1.58	.20
Outstanding, Sept 30, 2022	18,748,643	2.38	0.59

	Number of warrants	Weighted average remaining contractual life (years)	Weighted average exercise price \$
Outstanding, December 31, 2020	-	-	-
Granted	5,732,143	5.00	0.68
Outstanding, December 31, 2021	5,732,143	4.88	0.68

15. FINANCIAL INSTRUMENTS AND RISKS

Fair values

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's statement of financial position as at Sept 30, 2022 and December 31, 2021, as follows:

	Carrying value \$	Sept 30, 2022		
		Level 1 \$	Level 2 \$	Level 3 \$
Cash	170,140	170,140	-	-

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	Carrying value	December 31, 2021		
		Level 1	Level 2	Level 3
		\$	\$	\$
Cash	3,886,851	3,886,851	-	-

The fair values of other financial instruments, which include amounts receivable, prepaid and deposits, amounts payable and lease liabilities approximate, approximate their carrying values due to the relatively short-term maturity of these instruments.

The fair value of acquisition consideration payable was determined using a present value of a probability weighted average of expected future cash outflows.

All financial instruments measured at fair value use Level 2 valuation techniques. There have been no transfers between fair value levels during the reporting period.

The Company's financial instruments are exposed to certain financial risks, including credit, liquidity, currency, and interest rate risk.

Credit risk

Credit risk arises from cash held with banks and financial institutions, as well as credit exposure on any outstanding accounts receivable. The carrying amount of financial assets represents the maximum credit exposure.

Currency risk

Currency risk is the risk that changes in foreign exchange rates will affect the Company's income or the value of its holdings of financial instruments. The Company's currency risk primarily arises from financial instruments denominated in currencies other than its functional currency. The Company does not undertake currency hedging activities to mitigate its foreign currency risk. The impact on the Company's profit or loss resulting from a 10% fluctuation in foreign exchange rates would be approximately \$232,000.

15. FINANCIAL INSTRUMENTS AND RISKS (cont'd)

Interest rate risk

Interest rate risk consists of two components:

- (i) To 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, the Company is exposed to interest rate cash flow risk.
- (ii) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

Current financial assets and financial liabilities are generally not exposed to interest rate risk because of their short-term nature and maturity. The Company's amounts due to related parties are non-interest bearing.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the

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Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

Sept 30, 2022

	Total	Less than 1 year	1 to 3 years	3 to 5 years	Over 5 years
	\$	\$	\$	\$	\$
Accounts payable and accrued liabilities	1,260,952	1,260,952	-	-	-
Lease obligations	7,011,629	919,051	3,524,842	2,064,442	1,229,468
	8,272,221	2,180,003	3,524,844	2,064,442	502,932

December 31, 2021

	Total	Less than 1 year	1 to 3 years	3 to 5 years	Over 5 years
	\$	\$	\$	\$	\$
Accounts payable and accrued liabilities	686,674	686,674	-	-	-
Share consideration payable	1,916,556	1,916,556	-	-	-
Lease obligations	8,775,381	1,598,965	3,459,881	2,777,308	1,330,574
	11,769,958	4,202,195	3,459,881	2,777,308	1,330,574

16. CAPITAL MANAGEMENT

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of all components of shareholders' equity.

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

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

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17. SEGMENT REPORTING

Information reported to the Chief Operating Decision Maker (“CODM”) for the purpose of resource allocation and assessment of segment performance focuses on the nature of the operations. The Company operates in three segments:

Clinical Operations: which encompass the Company’s ketamine assisted psychotherapy clinics across the United States of America.

Research: which consists of the development of virtual clinics in the metaverse and research focused expenses.

Corporate: which incorporates the operations of Revitalist’s headquarters.

Factors considered in determining the operating segments include the company’s business activities, the management structure directly accountable to the CODM, availability of discrete financial information and strategic priorities within the organizational structure.

Three months ended Sept 30, 2022:

Segment Information	Clinical Operations	Research	Corporate	Total
	\$	\$	\$	\$
Net revenue	1,287,016	-	-	1,287,016
Net income (loss)	(1,169,842)		(2,167,118)	(3,335,960)

Nine months ended Sept 30, 2021:

Segment Information	Clinical Operations	Research	Corporate	Total
	\$	\$	\$	\$
Net revenue	3,722,936	-	-	3,722,936
Net income (loss)	(4,205,497)	150,403	(3,866,304)	(8,222,201)

18. SUBSEQUENT EVENTS

On October 11, 2022, the Board of Directors approved the terms for a private placement on a non brokered basis of up to 55,000,000 Units at a price of \$0.05 per unit for gross proceeds of \$2,750,000 to be completed in one or more tranches. Each unit will consist of one common share and one common purchase share warrant. The warrant entitles the holder to acquire one common share at a price of \$0.05 for a period of 60 months.