

## FORM 5

### **QUARTERLY LISTING STATEMENT**

Name of Listed Issuer: Britannia Life Sciences Inc. (the "Issuer").

Trading Symbol: "BLAB"

This Quarterly Listing Statement must be posted on or before the day on which the Issuer's unaudited interim financial statements are to be filed under the *Securities Act*, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer's first, second and third fiscal quarters. This statement is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

#### **General Instructions**

- (a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Listed Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

#### **SCHEDULE A: FINANCIAL STATEMENTS**

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

## **SCHEDULE B: SUPPLEMENTARY INFORMATION**

The supplementary information set out below must be provided when not included in Schedule A.

### **1. Related party transactions**

All related party transactions have been disclosed in the notes to the Issuer's financial statements for the interim period ended September 30, 2023.

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

- (a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.
- (b) A description of the transaction(s), including those for which no amount has been recorded.
- (c) The recorded amount of the transactions classified by financial statement category.
- (d) The amounts due to or from Related Persons and the terms and conditions relating thereto.
- (e) Contractual obligations with Related Persons, separate from other contractual obligations.
- (f) Contingencies involving Related Persons, separate from other contingencies.

### **2. Summary of securities issued and options granted during the period.**

All securities issued and options granted have been disclosed in the notes to the Issuer's financial statements for the interim period ended September 30, 2023.

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

- (a) summary of securities issued during the period,

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid

(b) summary of options granted during the period,

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant

**3. Summary of securities as at the end of the reporting period.**

A summary of securities has been provided in the Issuer's financial statements for the interim period ended September 30, 2023.

Provide the following information in tabular format as at the end of the reporting period:

- (a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,
- (b) number and recorded value for shares issued and outstanding,
- (c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

- (d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

**4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.**

A list of the directors and officers, with an indication of the position(s) held, was provided in the Issuer's listing statement dated October 29, 2021, a copy of which has been filed on SEDAR ([www.sedar.com](http://www.sedar.com)) under the Issuer's profile.

**SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS**

Provide Interim MD&A if required by applicable securities legislation.

**Certificate Of Compliance**

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated November 29, 2023.

Sarah Zilik  
Name of Director or Senior Officer

(signed) "Sarah Zilik"  
Signature

Chief Financial Officer  
Official Capacity

<b>Issuer Details</b>		For Quarter Ended	Date of Report YY/MM/D
Name of Issuer		Sep. 30, 2023	November 29, 2023
Issuer Address			
120 Adelaide Street West, Suite 2400			
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.	
Toronto, Ontario, M5H1T1	N/A	416 930-7711	
Contact Name	Contact Position	Contact Telephone No.	
Sarah Zilik	CFO	+44 (0)7850 115178	
Contact Email Address	Web Site Address		
<a href="mailto:sarah@britannia.life">sarah@britannia.life</a>	<a href="http://www.britannia.life">www.britannia.life</a>		

Condensed Interim Consolidated Financial Statements  
(Expressed in Canadian Dollars)

## **Britannia Life Sciences Inc.**

September 30, 2023 and 2022

# Britannia Life Sciences Inc.

## **Responsibility for Condensed Interim Consolidated Financial Statements**

The Company's management is responsible for the integrity and fairness of presentation of these consolidated financial statements. The consolidated financial statements have been prepared by management, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, for approval by the Board of Directors.

Where necessary, management has made judgements and estimates in preparing the consolidated financial statements and such statements have been prepared within acceptable limits of materiality. Management maintains a system of internal accounting controls to ensure, on a reasonable and cost-effective basis, that the financial information is timely reported and is accurate and reliable in all material respects and that the Company's assets are appropriately accounted for and adequately safeguarded.

## **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 financial statements of the Company have been prepared by and are the responsibility of the Company's management and have not been reviewed by the Company's auditor.

*/s/ Peter Shippen*  
Chief Executive Officer  
November 29, 2023

# Britannia Life Sciences Inc.

## Condensed Interim Consolidated Statements of Financial Position

Expressed in Canadian Dollars  
(Unaudited)

	Note	September 30, 2023	March 31, 2023
		\$	\$
<b>Assets</b>			
Current assets:			
Cash		2,520,198	2,598,273
Accounts receivable		1,774,578	1,597,233
Inventory		251,682	-
Prepaid expenses		23,441	23,441
Total current assets		4,569,899	4,218,947
Non-current assets:			
Property and equipment	4	639,340	452,382
Investment	6(b)	1,286,916	1,269,809
Goodwill and intangible assets	5	17,375,351	17,607,288
Total non-current assets		19,301,607	19,329,479
<b>Total assets</b>		<b>23,871,506</b>	<b>23,548,426</b>
<b>Liabilities and Shareholders' Equity</b>			
Current liabilities:			
Accounts payable and accrued liabilities	16	3,361,665	2,552,519
Current portion of GLL loan payable	7	1,655,048	1,744,878
Current portion of lease liability	8	46,807	56,170
Director's loan	10	120,000	120,000
Other debt	11	125,352	124,373
Total current liabilities		5,308,872	4,597,940
Non-current liabilities:			
Lease liability	8	55,663	77,686
Warrant liability	9	-	2,043
Put option liability	6(a)(c)	553,151	1,419,711
GLL loan payable	7	5,570,321	6,285,189
Deferred income taxes		102,577	103,919
Total non-current liabilities		6,281,712	7,888,549
<b>Total liabilities</b>		<b>11,590,584</b>	<b>12,486,488</b>
Shareholders' equity:			
Share capital	12	17,107,347	17,107,347
Contributed surplus	12	1,427,843	157,101
Non-controlling interest		4,381,497	4,038,674
Warrant reserve	12	-	1,270,742
Options reserve	12	1,770,929	1,587,522
Accumulated other comprehensive loss		(1,070,789)	(1,157,102)
Accumulated deficit		(11,335,905)	(11,942,346)
Total shareholders' equity		12,280,922	11,061,938
<b>Total liabilities and shareholders' equity</b>		<b>23,871,506</b>	<b>23,548,426</b>

Subsequent events (note 17)

These consolidated interim financial statements were approved for issue on November 29, 2023 by the board of directors on its behalf by:

"Peter Shippen"

"Greg Taylor"



# Britannia Life Sciences Inc.

## Condensed Interim Consolidated Statements of Income and Comprehensive Income

For the Three and Six Months Ended September 30, 2023 and September 30, 2022

Expressed in Canadian Dollars

(Unaudited)

Periods ended September 30,		Three months		Six months	
		2023	2022	2023	2022
		\$	\$	\$	\$
Product sales and other income		2,073,944	1,594,935	4,027,398	3,104,298
Cost of sales		594,440	388,913	1,074,890	799,817
<b>Gross profit</b>		<b>1,479,504</b>	<b>1,206,022</b>	<b>2,952,508</b>	<b>2,304,481</b>
<b>Expenses</b>					
Selling, general and administration	14	1,084,072	563,057	1,844,064	1,215,021
Finance		273,655	5,892	543,995	13,301
Share-based compensation	10, 12	92,205	371,130	183,406	738,226
		1,449,932	940,079	2,571,465	1,966,548
Income from operations		29,572	265,943	381,043	337,933
<b>Other income (expense)</b>					
Change in fair value of put option liability	6(a)(c)	497,994	350,551	908,933	1,429,972
Change in fair value of warrant liability	9	-	303,103	2,043	2,269,928
Accretion expense	7, 11	(148,876)	(199,732)	(99,308)	(410,870)
Gain on dilution of Britannia Mining Solutions Inc.	6(b)	16,355	-	47,010	-
Share of income (loss) of Britannia Mining Solutions Inc.	6(b)	73,091	(20)	15,363	(41)
Foreign currency translation gain (loss)		425,180	782,159	(127,685)	1,610,218
		863,744	1,236,061	746,356	4,899,207
Income (loss before income taxes)		893,316	1,502,004	1,127,399	5,237,140
<b>Provision for (recovery of) income taxes</b>					
Current income taxes		137,288	121,775	258,484	237,608
Deferred income taxes		124	185	25,791	(8,721)
Total income taxes		137,412	121,960	284,275	228,887
<b>Net income (loss)</b>		<b>755,904</b>	<b>1,380,044</b>	<b>843,124</b>	<b>5,008,253</b>
<b>Other comprehensive loss</b>					
Currency translation differences		(634,912)	(1,272,950)	(8,205)	(2,490,989)
<b>Comprehensive income (loss) for the period</b>		<b>120,922</b>	<b>107,094</b>	<b>834,919</b>	<b>2,517,264</b>
<b>Net income (loss) for the period attributable to:</b>					
Non-controlling interest		31,744	296,427	236,683	434,827
Equity shareholders of the Company		724,160	1,083,617	606,441	4,573,425
Total		755,904	1,323,199	843,124	5,008,253
<b>Other comprehensive income (loss) for the period attributable to:</b>					
Non-controlling interest		(150,706)	(224,660)	(94,518)	(347,985)
Currency translation differences		(484,206)	(1,272,950)	86,313	(2,143,004)
Total		(634,912)	(1,272,950)	(8,205)	(2,490,989)
Basic and diluted weighted average shares outstanding	13	162,254,339	162,254,339	162,154,339	162,029,339
Basic and diluted gain (loss) per share		0.00	0.01	0.00	0.03

# Britannia Life Sciences Inc.

## Condensed Interim Consolidated Statements of Changes in Shareholders' Equity For the Six Months Ended September 30, 2023 and 2022

Expressed in Canadian Dollars

(Unaudited)

	Number of common shares	Share capital	Contributed surplus	Warrant reserve	Options reserve	Accumulated Deficit	Accumulated other comprehensive loss	Equity (deficiency) attributable to shareholders of the Company	Non- controlling interest	Total
		\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at March 31, 2022</b>	<b>161,904,339</b>	<b>17,068,847</b>	<b>157,101</b>	<b>1,270,742</b>	<b>536,524</b>	<b>(16,197,383)</b>	<b>(1,483,347)</b>	<b>1,352,484</b>	<b>4,130,501</b>	<b>5,482,985</b>
Equity issued for advisory services	350,000	38,500	-	-	-	-	-	38,500	-	38,500
Options issued	-	-	-	-	738,226	-	-	738,226	-	738,226
Net income for the period	-	-	-	-	-	4,573,426	-	4,573,426	434,827	5,008,253
Acquisition of non-controlling interest	-	-	-	-	-	(828,834)	-	(828,834)	(1,032,625)	(1,861,459)
Other comprehensive loss for the period	-	-	-	-	-	-	(2,143,004)	(2,143,004)	(347,985)	(2,490,989)
<b>Balance at September 30, 2022</b>	<b>162,254,339</b>	<b>17,107,347</b>	<b>157,101</b>	<b>1,270,742</b>	<b>1,274,750</b>	<b>(12,452,804)</b>	<b>(3,626,351)</b>	<b>3,730,785</b>	<b>3,184,718</b>	<b>6,915,503</b>
<b>Balance at March 31, 2023</b>	<b>162,254,339</b>	<b>17,107,347</b>	<b>157,101</b>	<b>1,270,742</b>	<b>1,587,522</b>	<b>(11,942,346)</b>	<b>(1,157,102)</b>	<b>7,023,264</b>	<b>4,038,674</b>	<b>11,061,938</b>
Options issued (Note 12)	-	-	-	-	183,407	-	-	183,407	-	183,407
Warrants expired	-	-	1,270,742	(1,270,742)	-	-	-	-	-	-
Acquisition of CosLab (note 6(c))	-	-	-	-	-	-	-	-	200,658	200,658
Net income (loss) for the period	-	-	-	-	-	606,441	-	606,441	236,683	843,124
Other comprehensive income for the period	-	-	-	-	-	-	86,313	86,313	(94,518)	(8,205)
<b>Balance at September 30, 2023</b>	<b>162,254,339</b>	<b>17,107,347</b>	<b>1,427,843</b>	<b>-</b>	<b>1,770,929</b>	<b>(11,339,905)</b>	<b>(1,070,789)</b>	<b>7,889,425</b>	<b>4,381,947</b>	<b>12,280,922</b>

# Britannia Life Sciences Inc.

## Condensed Interim Consolidated Statements of Cash Flows

For the Six Months Ended September 30, 2023 and 2022  
(Expressed in Canadian Dollars, except per share amounts)

		2023	2022
		\$	\$
<b>OPERATING ACTIVITIES</b>			
Net Income		843,124	5,008,253
Adjustments for items not involving cash			
Depreciation and amortization	4, 5	136,363	99,823
Share-based payments	10, 12	183,406	738,226
Interest on lease liability	8	9,566	13,301
Foreign currency translation gain		262,798	(1,692,716)
Change in fair value of put option liabilities	6(a)(c)	(908,933)	(1,429,972)
Change in fair value of warrant liability	9	(2,043)	(2,269,928)
Accretion expense	7	99,308	410,870
Gain on dilution of Britannia Mining Solutions Inc.	6(b)	(47,010)	-
Share of income (loss) of Britannia Mining Solutions Inc.	6(b)	(15,363)	41
Elimination of associate's management fee	6(b)	45,266	-
Deferred income tax		25,791	(8,721)
		632,273	869,177
Changes in non-cash working capital items			
Accounts receivable		59,359	(154,838)
Prepaid expenses		-	39,958
Inventory		61,143	-
Accounts payable and accrued liabilities		443,781	145,228
Net changes in non-cash working capital items		564,283	30,348
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>1,196,556</b>	<b>899,525</b>
<b>INVESTING ACTIVITIES</b>			
Acquisition of non-controlling interest	6(a)(c)	(168,750)	(2,982,066)
Acquisition of intangibles	5	(24,695)	(141,219)
Acquisition of equipment	4	(117,578)	(26,491)
<b>NET CASH FLOWS (USED IN) FROM INVESTING ACTIVITIES</b>		<b>(311,023)</b>	<b>(3,149,776)</b>
<b>FINANCING ACTIVITIES</b>			
Principal payments on GLL financing	7	(889,554)	(310,511)
Lease payments	8	(39,914)	(35,893)
Principal and interest payment on Sellers' loan	7	-	(4,959,276)
Proceeds on loan financing	-	-	7,956,453
<b>NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES</b>		<b>(929,468)</b>	<b>2,650,733</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>		<b>(34,140)</b>	<b>(60,744)</b>
<b>Increase (decrease) in cash and cash equivalents</b>		<b>78,075</b>	<b>339,738</b>
<b>Cash and cash equivalents at beginning of the period</b>		<b>2,598,273</b>	<b>1,631,127</b>
<b>Cash and cash equivalents at end of the period</b>		<b>2,520,198</b>	<b>1,970,865</b>

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

# Britannia Life Sciences Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

September 30, 2023

(Expressed in Canadian Dollars, except per share amounts)

### 1. Nature and Continuance of Operations

Britannia Life Sciences Inc. ("BLS" or "Britannia") (together with its subsidiaries, the "Company") is a company domiciled and incorporated in Canada under the laws of the Province of Ontario. The address of the Company's registered office is 120 Adelaide Street West, Suite 2400, Toronto, Ontario M5H 1T1. The Company's common shares are publicly traded on the Canadian Securities Exchange (BLAB: CSE). The Company provides product testing, safety assessment and compliance services to the cosmetic, consumer packaged goods and nutraceutical industries in the United Kingdom and globally.

### 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"), as issued by the International Accounting Standards Board ("IASB") and the interpretations of the IFRS Interpretations Committee ("IFRIC").

The accounting policies adopted in the preparation of the condensed interim consolidated financial statements are based on IFRS, which have been applied consistently to all periods presented. These condensed interim consolidated financial statements were approved and authorized for issuance by the Board of Directors on November 29, 2023.

#### (b) Basis of consolidation

The condensed interim consolidated financial statements comprise the financial statements of the Company, its wholly owned subsidiaries BBCH, Britannia Bud Company Limited ("BBCL"), Jamaica-Blu Ltd., Rise Research Inc., Scout Assessment Corp., Rise Life Science (Colorado), LLC, Brand Max, Inc. dba Cultivate Kind, Life Bloom Organics, LLC, Advanced Development and Safety Laboratories Ltd. ("ADSL") of which Company owns 70% and Cosmetic Labs Limited (CosLab) of which the Company owns 51% (the "Group"). BBCL, ADSL and CosLab operate in the United Kingdom and have a functional currency of UK pounds sterling. Life Bloom Organics, Brand Max Inc. dba Cultivate Kind, and Rise Life Science (Colorado), LLC are domiciled in the United States of America and have a functional currency of US dollars.

The Company's subsidiaries are as follows:

Entity	Jurisdiction of Incorporation	Ownership
Britannia Bud Canada Holdings Inc.	Ontario, Canada	100%
Britannia Bud Company Limited	United Kingdom	100%
Jamaica-Blu Ltd.	Ontario, Canada	100%
Rise Research Inc.	British Columbia, Canada	100%
Scout Assessment Corp.	Ontario, Canada	100%
Rise Life Science (Colorado), LLC	Colorado, United States	100%
Brand Max, Inc. dba Cultivate Kind	California, United States	100%
Life Bloom Organics, LLC	Delaware, United States	100%
Advanced Development & Safety Laboratories Ltd.	United Kingdom	70%
Cosmetic Labs Limited	United Kingdom	51%

All intercompany transactions and balances between and among BLS and its subsidiaries have been eliminated on consolidation. Where necessary, adjustments are made to assets, liabilities, and results of subsidiaries and associates to bring their accounting policies into line with those used by the Company.

Subsidiaries are entities controlled by BLS. The financial statements of subsidiaries are included in the condensed interim consolidated financial statements from the date that control commences until the date that control ceases. BLS controls an entity if it has power to direct the activities of the entity that significantly affects its returns ("the relevant activities"), has exposure or rights to variable returns from its involvement with the entity and has the ability to use its power to affect those returns.

Changes in the BLS's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the BLS's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the noncontrolling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Company's

# Britannia Life Sciences Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

September 30, 2023

(Expressed in Canadian Dollars, except per share amounts)

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accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between BLS and its subsidiaries are eliminated in full on consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

### (c) Basis of measurement

These condensed interim consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value.

### (d) Functional and presentation currency

The condensed interim consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency and the overall presentation currency. The Company's U.K. operations have a functional currency of UK pounds sterling. The Company's US operations have a functional currency of USD. All financial information presented has been rounded to the nearest dollar except where indicated otherwise.

### (e) Use of significant estimates and judgements

The preparation of these condensed interim consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

These condensed interim consolidated financial statements have been prepared on a going concern basis in accordance with IFRS. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. Management carefully manages its cash flows and, as necessary, will undertake efforts to raise additional capital. These condensed interim consolidated statements do not reflect the adjustments or reclassifications of assets and liabilities which would be necessary if the Company were unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in the normal course of business operations and at amounts different from those in the accompanying condensed interim consolidated financial statements.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The determination of fair values to the net identifiable assets acquired in business acquisitions often require management to make assumptions or estimates about future events. Changes in any of the assumptions or estimates used in determining fair value of acquired assets and liabilities could impact the amount assigned to assets, liabilities and goodwill in the purchase price allocation.

Goodwill is tested for impairment annually or more frequently if there is an indication of impairment. The assessment of fair values includes estimates and assumptions, discount rates, future operating performance and capital requirements. These estimates and assumptions are based on industry and historical practices as well as future expectations. Changes to these estimates or assumptions could impact the impairment analysis of goodwill.

Information about key assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year are included in the following notes to the condensed interim consolidated financial statements:

- The measurement and period of use of intangible assets including patents and trademarks.
- The measurement and period of use of property and equipment
- The assumptions used to value the right-of-use asset and associated lease obligation upon the adoption of the lease standard under IFRS 16, Leases.
- The assumptions used to determine the incremental borrowing rate.
- The assumptions used to fair value the debt component, the conversion feature and associated warrants on initial recognition.
- The assumptions used to value options and warrants issued.
- The assessment of a cash-generating unit to which goodwill is allocated.
- The assumptions used to estimate the carrying value of goodwill and intangible assets.

# Britannia Life Sciences Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

September 30, 2023

(Expressed in Canadian Dollars, except per share amounts)

### 3. Material Accounting Policy Information

Except for the addition of the inventory policy below, these condensed interim consolidated financial statements have been prepared using the same accounting policies and methods as those used in the Company's annual consolidated financial statements as at and for the year ended March 31, 2023.

#### Inventory

Inventory is measured at the lower of cost and net realizable value. The cost of inventories is determined on a first-in first-out basis, and includes expenditures incurred in acquiring the inventory, production or conversion costs and other costs incurred in bringing inventory to its existing location and condition. In the case of manufactured inventory and work-in process, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expense.

For inventory acquired in a business acquisition, the fair value is determined based on the estimated selling price in the common course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventory.

### 4. Property and Equipment

	Fixtures & Fittings	Computer Equipment	Right-of-Use Asset	Total
	\$	\$	\$	\$
<b>Cost</b>				
Balance, March 31, 2022	532,299	29,146	195,091	756,536
Additions	49,425	5,883	-	55,308
Effect of foreign exchange	10,019	549	9,827	20,395
Balance, March 31, 2023	<b>591,743</b>	<b>35,578</b>	<b>204,918</b>	<b>832,239</b>
Additions	294,264	9,985	-	304,249
Effect of foreign exchange	(10,854)	(459)	(4,332)	(15,645)
Balance, September 30, 2023	<b>875,153</b>	<b>45,104</b>	<b>200,586</b>	<b>1,120,843</b>
<b>Depreciation</b>				
Balance, March 31, 2022	150,167	7,795	52,778	210,740
Depreciation	103,826	6,515	45,430	155,771
Effect of foreign exchange	3,792	178	9,376	13,346
Balance, March 31, 2023	<b>257,785</b>	<b>14,488</b>	<b>107,584</b>	<b>379,857</b>
Depreciation	77,640	5,242	24,070	106,952
Effect of foreign exchange	(1,606)	(78)	(3,622)	(5,306)
Balance, September 30, 2023	<b>333,819</b>	<b>19,652</b>	<b>128,032</b>	<b>481,503</b>
<b>Net book value, March 31, 2023</b>	<b>333,958</b>	<b>21,090</b>	<b>97,334</b>	<b>452,382</b>
<b>Net book value, September 30, 2023</b>	<b>541,334</b>	<b>245,452</b>	<b>72,554</b>	<b>639,340</b>

# Britannia Life Sciences Inc.

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### 5. Goodwill and intangible assets

	Website	Goodwill	Total
	\$	\$	\$
<b>Cost</b>			
Balance March 31, 2022	4,690	17,057,814	17,062,504
Additions	286,992	-	286,992
Effect of foreign exchange	14,076	321,061	335,137
Balance, March 31, 2023	<b>305,758</b>	<b>17,378,875</b>	<b>17,684,633</b>
Additions	22,470	2,225	24,695
Effect of foreign exchange	(3,948)	(224,431)	(228,379)
<b>Balance, September 30, 2023</b>	<b>324,280</b>	<b>17,156,669</b>	<b>17,480,949</b>
<b>Amortization</b>			
Balance, March 31, 2022	3,019	-	3,019
Amortization	70,897	-	70,897
Effect of foreign exchange	3,429	-	3,429
Balance, March 31, 2023	77,345	-	77,345
Amortization	29,411	-	29,411
Effect of foreign exchange	(1,158)	-	(1,158)
<b>Balance, September 30, 2023</b>	<b>105,598</b>	<b>-</b>	<b>105,598</b>
<b>Net book value, March 31, 2023</b>	<b>228,413</b>	<b>17,378,875</b>	<b>17,607,288</b>
<b>Net book value, September 30, 2023</b>	<b>218,682</b>	<b>17,156,669</b>	<b>17,375,351</b>

### 6. Business Developments

#### a) Advanced Development & Safety Laboratories Ltd.

Mark Richard Bowes-Cavanagh, Claire Suzanne Bowes-Cavanagh, Jonathan Bird Sumner and Robert Sumner (the "Sellers") and BBCH entered into a share purchase agreement dated March 10, 2020, wherein the Company acquired 60% of the issued share capital of ADSL (the "ADSL Acquisition"). Completion payments in relation to the ADSL Acquisition were made on February 9, 2021 (the "Completion Date"). The ADSL Acquisition consideration included a cash payment of \$5,278,445 (GBP 3,008,819), a loan payable to the Sellers of \$7,819,478 (GBP 4,456,813), and a loan payable to ADSL of \$6,551,624 (GBP 3,734,183).

Pursuant to the terms of the ADSL Acquisition, on the first three anniversaries of the Completion Date, the Company has the right to acquire from the Sellers up to an additional 40% of the share capital for an additional consideration. In circumstances where on expiry of the third anniversary of the Completion Date the Company has not acquired all the ADSL shares, the Sellers have the right to require the Company to purchase all of the ADSL shares it does not yet own (the "Put Liability"). The total consideration payable for the additional shares ("Put Shares") upon exercise of the Put Liability and the closing of the Company's acquisition of the Put Shares would be equal to the total equity value of the Put Shares, which would be based upon the applicable percentage acquired by the Company of the total enterprise value for ADSL.

At the close of the ADSL Acquisition, the value of the Put Liability was determined to be \$2,464,315 (GBP 1,404,568), representing the difference between the market price and the contract value of the Put Liability, discounted at a rate of 0.23% per annum and assuming the transaction would take place on February 9, 2024. As at March 31, 2022, the fair value of the put liability was remeasured to \$4,495,033 (GBP 2,738,035), generating a loss on the change in fair value of the put liability for the year ended March 31, 2022 of \$2,059,933.

On April 7, 2022, the Company acquired an additional 10% of the outstanding issued share capital of ADSL (the "Subsequent ADSL Acquisition"). A cash payment of GBP 1,813,358 was paid as consideration for the Subsequent ADSL Acquisition (CAD: \$2,982,066).

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The put liability has been reduced accordingly and an adjustment has been made to non-controlling interest to reflect the change in ownership post transaction and on March 31, 2023.

	\$
Cash payment to minority shareholders	2,982,066
Reduction in put liability	(1,120,594)
Reduction in non-controlling interest	(1,032,625)
Equity adjustment	828,847

As at September 30, 2023, the fair value of the put liability was remeasured to \$515,200 (GBP 312,053), generating a gain on the change in the fair value of the put liability for the three and six months ended September 30, 2023 of \$494,724 and 904,511 respectively (2022: \$350,551 and \$1,429,972).

### b) Britannia Mining Solutions Inc.

On February 18, 2022, the Company incorporated BMS, a company domiciled and incorporated in Canada under the laws of the Province of Ontario, as a new subsidiary to address the global backlog in mining assays. In establishing the business, BMS issued 500,000 BMS common shares at \$0.001 per BMS common share to the Company. On March 4, 2022, BMS completed a non-brokered private placement of 500,000 of its common shares at \$1.00 per common share for gross proceeds of \$500,000 after which the Company owned 50% of the outstanding issued share capital of BMS and 50% of the voting rights of BMS. During the year ended March 31, 2023 BMS issued 309,000 BMS common shares at \$10.00 per share and during the six months ended September 30, 2023, BMS issued 43,000 BMS common shares at \$10.00 per share after which the Company owns 38% of the outstanding share capital of BMS. The Chief Executive Officer of the Company is both the Chief Executive Officer and sole director of BMS. The BMS by-laws state that both the officers and the directors of BMS are elected by the shareholders, accordingly the investment does not meet the definition of control for the purpose of consolidation.

The continuity of the investment in BMS is as follows:

	\$
<b>Balance as at March 31, 2023</b>	<b>1,269,809</b>
Gain on dilution after equity issuances	47,010
Elimination of associate's management fee	(45,266)
Share of income (loss) of BMS	15,363
<b>Balance as at September 30, 2023</b>	<b>1,286,916</b>

### c) Cosmetics Lab Limited ("CosLab")

On June 6, 2023 the Company acquired a 51% interest in CosLab, a Southern England-based manufacturer of cosmetic products. A cash payment of GBP 100,000 was paid as consideration for the shares (CAD: \$168,750).

The acquisition has been accounted for using the acquisition method with the results of the operations of CosLab being included in the condensed interim consolidated financial statements from the date of acquisition. In accordance with the Company's accounting policy and IFRS, the Company has up to one year following the acquisition date to finalize the accounting for the business combination. Accordingly, the accounting for the CosLab acquisition has been completed using provisional amounts within these condensed interim consolidated financial statements.



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The following table summarizes the purchase price of the acquisition, the fair value of the identifiable assets acquired and liabilities assumed as of the acquisition date:

	\$
	Fair value recognized on acquisition
<b><u>Assets acquired</u></b>	
Cash and cash equivalents	4,103
Accounts receivable	338,642
Inventory	190,539
Property and equipment	172,444
	<b>705,728</b>
<b><u>Liabilities assumed</u></b>	
Accounts payable and accrued liabilities	(296,222)
	<b>(296,222)</b>
Net identifiable assets at fair value	409,506
Non-controlling interest measured at fair value (49%)	(200,658)
CosLab put liability	(42,372)
Goodwill	2,274
<b>Total consideration</b>	<b>168,750</b>

Pursuant to the terms of the CosLab acquisition, the minority shareholder of CosLab has the right to require the Company to purchase the shares of CosLab it does not yet own (the "CosLab Put Liability"). The total consideration payable for the additional shares ("CosLab Put Shares") upon exercise of the CosLab Put Liability and the closing of the Company's acquisition of the CosLab Put Shares would be equal to the total equity value of the CosLab Put Shares, which would be based upon the applicable percentage acquired by the Company of the total enterprise value for CosLab.

The fair value of the CosLab Put Liability at the close of the CosLab acquisition was determined to be \$42,372 (GBP 25,109), representing the difference between the market price and the contract value of the CosLab Put Liability, discounted at a rate of 0.36% per annum and assuming the transaction would take place on June 1, 2028.

As at September 30, 2023, the CosLab Put Liability was remeasured to its fair value of \$37,951 (GBP 22,987), generating a gain on the change in the fair value of the CosLab Put Liability for the six months ended September 30, 2023 of \$4,421.

## 7. GLL Loan Payable

On April 7, 2022, the Company completed a debt financing arrangement with Growth Lending 2021 Limited ("GLL") that was used to repay the Sellers' loan in full and acquire an additional 10% of ADSL's share capital (see Note 6(a)). The total loan principal value is \$8,222,500 (GBP 5,000,000) with a termination date of April 6, 2027. The Company incurred loan related fees of \$281,158 and a non-cash fee of \$38,500. The net proceeds of the loan are being accreted to the amount payable on maturity over the term. As security the Company pledged the share capital it holds in ADSL and a debenture has been issued between GLL and each of BBCL and ADSL. Interest is payable monthly in advance from inception of the loan and is calculated monthly based on the capital outstanding at the higher of 9.5% per annum and 8.5% per annum plus the SONIA (Sterling Over Night Indexed Average). Principal repayments began in April 2023 with equal monthly instalments of principal and interest from then until April 2027. In the three- and six-month period ended September 30, 2023 the Company made \$450,038 and \$889,554 (GBP: 266,373 and 526,519) of principal payments in relation to the GLL loan respectively (2022: nil).

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### 8. Lease Liability

	\$
<b>Balance as at March 31, 2022</b>	<b>181,693</b>
Lease payments	(73,542)
Lease interest	24,681
Effect of foreign exchange	1,024
<b>Balance as at March 31, 2023</b>	<b>133,856</b>
Lease payments	(39,914)
Lease interest	9,566
Effect of foreign exchange	(1,037)
<b>Balance as at September 30, 2023</b>	<b>102,471</b>
Current	46,808
Non-current	55,663
<b>Balance as at September 30, 2023</b>	<b>102,471</b>

### 9. Warrant Liabilities

Certain common share purchase warrants have exercise prices denominated in US dollars and therefore their exercise would represent a variable number of common shares. As a result, these common share purchase warrants do not meet the fixed-for-fixed criteria under IFRS to be classified as equity and are therefore treated as a financial liability under IFRS.

#### *Convertible Debenture Warrants*

The Company in its discretion may accelerate the expiration date of the warrants in the event the Company's common shares trade at \$0.26 or more for 20 or more consecutive trading days on the Canadian Securities Exchange.

2,100,249 warrants are held in escrow at September 30, 2023 (2022: 3,500,415).

#### *Brokers' Warrants*

On July 14, 2021, the Company issued 893,100 compensation warrants to brokers, with each compensation warrant being exercisable to acquire one common share at a price of USD \$0.20 for a period of 24 months. The Brokers' Warrants expired unexercised on July 14, 2023. The fair value of the warrant liability for the six-month period ending September 30, 2023 has been adjusted to \$nil (March 31, 2023: \$2,043).

The continuity of the warrant liability is as follows:

	Convertible Debenture Warrants	Brokers' Warrants	Total
	\$	\$	\$
<b>Balance as at March 31, 2023</b>	-	2,043	2,043
Change in fair value	-	(2,043)	(2,043)
<b>Balance as at September 30, 2023</b>	-	-	-

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Changes in the number of these warrants outstanding during the period ended September 30, 2023 are as follows:

	Warrants	Amount	Weighted Average Exercise Price
		\$	\$
<b>Balance, March 31, 2023</b>	10,885,440	2,043	0.21
Expired	(10,885,440)	-	0.21
Change in fair value	-	(2,043)	-
<b>Balance, September 30, 2023</b>	-	-	-
<b>Weighted average remaining contractual life (years)</b>			-

### 10. Related Party Transactions and Balances

#### Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The directors, Chief Executive Officer, President, Chief Technical Officer and Chief Financial Officer are key management personnel.

	Three months ended September 30,		Six months ended September 30,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Share based compensation	92,205	371,130	183,406	738,226
Salaries, fees and short term benefits	148,758	127,508	297,240	262,823
	240,963	498,638	480,646	1,001,049

As at September 30, 2023, accounts payable and accrued liabilities included accrued executive and director salaries, fees and short-term benefits of \$441,938 (2022: \$343,874).

#### Director's loan

During the year ended March 31, 2022 a director extended a loan of \$120,000 to the Company to cover expenses related to working capital and growth needs of the Company. The loan is without interest, unsecured and is repayable on demand and remains outstanding at September 30, 2023.

### 11. Other Debt

The continuity of other debt is as follows:

	Note Payable (a)	CEBA Loan (b)	Total
	\$	\$	\$
<b>As at March 31, 2023</b>	86,337	38,036	124,373
Accretion expense	-	979	979
<b>Balance, September 30, 2023</b>	<b>86,337</b>	<b>39,015</b>	<b>125,352</b>

#### (a) Note Payable

On July 31, 2016, a private lender subscribed to a secured convertible note issued by RISE in the amount of \$50,000, bearing interest at 8% per annum and maturing on July 31, 2017. The note was convertible at \$0.20 per common share. Total interest payable at September 30, 2023 is \$36,337 (March 31, 2023: \$36,337). As of September 30, 2023, the note and accrued interest are still outstanding.

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### (b) CEBA Loan

On April 15, 2020 and February 2, 2021, RISE obtained \$40,000 and \$20,000, respectively, from the Government of Canada under the Canada Emergency Business Account ("CEBA") COVID-19 Economic Response Plan. Effective January 1, 2024, any outstanding balance is to bear interest at a rate of 5% per annum. The CEBA loan matures on December 31, 2025. If \$40,000 of the outstanding balance is repaid on or before December 31, 2023, the remaining \$20,000 is to be forgiven. The Company intends to repay \$40,000 by December 31, 2023 so that the remaining balance will be forgiven. The Company has used a 5% per annum discount rate to determine the fair value of the interest-free period. This amount is being accreted to the amount anticipated to be payable at December 31, 2023 of \$40,000.

## 12. Share Capital

### Authorized

The Company has an unlimited number of authorized voting common shares (the "Common Shares").

### Issued

The outstanding share capital is as follows:

	Shares	Amount	Share issuance costs	Total
	#	\$	\$	\$
As at September 30, 2023	162,254,339	17,107,347	-	17,107,347

28,101,508 common shares are held in escrow as at September 30, 2023 (2022: 46,836,208).

### Brokers' Warrants

On July 14, 2021, the Company issued 893,100 compensation warrants of the Company to brokers, with each compensation warrant being exercisable to acquire one common share at a price of USD \$0.20 for a period of 24 months. The brokers' common share purchase warrants have exercise prices denominated in US dollars and therefore their exercise would represent a variable number of common shares. As a result, these brokers' common share purchase warrants do not meet the fixed- for-fixed criteria under IFRS to be classified as equity and are therefore treated as a financial liability under IFRS (see note 9). On July 14, 2023, the Brokers' Warrants expired unexercised.

### Warrants

On May 12, 2023 the Company's equity warrants expired unexercised. The continuity of the outstanding equity warrants is as follows (see also Note 9):

	Number of Warrants	Weighted average exercise price
		\$
As at March 31, 2023	10,281,940	0.25
Expired	(10,281,940)	0.25
Outstanding as at September 30, 2023	-	-

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### Options

The Company has a stock option plan with stock options granted to directors, management, employees, management company employees and consultants as a form of compensation. The number of common shares reserved for issuance of stock options is limited to a maximum of 10% of the issued and outstanding shares of the Company at any one time.

Changes to the number of options outstanding for the six months ended September 30, 2023 are as follows:

	Options	Weighted average exercise price \$
<b>As at March 31, 2023</b>	<b>13,370,000</b>	<b>0.22</b>
Expired as at September 30, 2023	(50,000)	0.05
Outstanding as at September 30, 2023	13,320,000	0.22
<b>Exercisable as at September 30, 2023</b>	<b>8,042,000</b>	<b>0.22</b>

The following summarizes information about the options outstanding as at September 30, 2023:

Expiry Date	Options issued	Options outstanding	Options exercisable	Weighted average of exercise price \$	Estimated issue date fair value \$	Weighted average remaining outstanding contractual life
Nov 12, 2023	13,320,000	13,320,000	7,992,000	0.21	1,770,929	0.37
	<b>13,320,000</b>	<b>13,320,000</b>	<b>8,042,000</b>	<b>0.21</b>	<b>1,770,929</b>	<b>0.37</b>

The Company recognized share-based payment related to the issuance of stock options for the three and six months ended September 30, 2023 of \$92,206 and 183,406 (September 30 2022: \$371,130 and \$738,226).

The outstanding options and warrants disclosed above were anti-dilutive for the current period and did not impact the calculation of the loss per share.

### 13. Capital Disclosures

The Company's objectives when managing capital are to ensure its ability to continue as a going concern in order to pursue investments and opportunities which contribute to the success of the Company while providing shareholder returns. The company attempts to maximize returns to shareholders by also minimizing shareholder dilution and, when possible utilizing non-dilutive funding arrangements.

The Company includes equity comprised of share capital, contributed surplus, warrant reserve, options reserve and accumulated deficit in its definition of capital. The Company has financed its operations and capital requirements primarily through the issuance of shares and secured and convertible notes since inception.

The Company manages its capital structure and adjusts it in light of economic conditions and risk characteristics of its underlying assets. The Company may issue new shares or raise debt. The Company is not subject to any externally imposed capital requirements.

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### 14. Selling, general and administrative expense

Included in selling, general, and administrative expense for the three and six months ended September 30, 2023 and 2022 are the following:

	For the three months ending September 30,		For the six months ending September 30,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Pay, consulting and benefits	360,612	207,641	814,860	533,157
Office and general	521,147	113,303	727,009	228,591
Professional fees expense	122,411	191,806	145,276	329,811
Amortization and depreciation	70,924	45,328	136,363	99,823
Travel and other	8,978	4,979	20,556	23,639
	1,084,072	563,057	1,844,064	1,215,021

### 15. Contingencies

From time to time the Company may become subject to legal proceedings, claims, and litigation arising in the ordinary course of business. While the outcome of these matters is currently not determinable, the Company does not expect that the ultimate costs to resolve these matters will have a material adverse effect on its consolidated financial position, results of operations, or cash flow.

### 16. Financial Instruments and Risk Management

The Company has classified its financial instruments as follows:

	September 30, 2023	March 31, 2023
	\$	\$
<b>FVTPL, measured at fair value:</b>		
Cash	2,520,198	2,598,273
Warrant liability	-	2,043
Put option liabilities	553,151	1,419,711
<b>Financial assets, measured at amortized cost:</b>		
Accounts receivable	1,774,578	1,597,233
<b>Financial liabilities, measured at amortized cost:</b>		
Accounts payable and accrued liabilities	3,081,831	2,224,014
GLL loan payable	7,225,369	8,030,067
Director's loan	120,000	120,000
Lease liability	102,470	133,856
Other debt	125,352	124,373

The carrying value of the Company's financial instruments approximate their fair value.

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### Fair values of financial assets and financial liabilities

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. Fair value estimates are made at the statement of financial position date, based on relevant market information and other information about financial instruments.

The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>Financial assets</b>				
Cash	2,520,198	-	-	2,520,198
<b>As at September 30, 2023</b>	<b>2,520,198</b>	<b>-</b>	<b>-</b>	<b>2,520,198</b>
<b>Financial liabilities</b>				
Put option liability	-	553,151	-	553,151
<b>As at September 30, 2023</b>	<b>-</b>	<b>553,151</b>	<b>-</b>	<b>553,151</b>

The Company's activities expose it to a variety of financial risks including foreign currency risk, interest rate risk, credit risk, and liquidity risk. These financial instrument risks are actively managed by the Company's management under the policies approved by board of directors. The principal financial risks are managed by the Company's finance department who work hand in hand with the Board and other key management personnel.

There were no transfers between level levels 1 and 2 for recurring fair value measurements for the period ended September 30, 2023. Further there was no transfer out of level 3 measurements.

### Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is mainly exposed to credit risk from credit sales and manages this risk by endeavouring only to deal with customers which are demonstrably creditworthy and through the continuous monitoring of financial exposure by customers.

Credit risk arises from cash and deposits with banks as well as credit exposure to outstanding receivables, the carrying amounts represent the Company's maximum exposure to credit risk.

The Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

### Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company is exposed to liquidity risk with respect to its contractual obligations and financial liabilities. The Company manages liquidity risk by forecasting its cash needs on a regular basis and seeking additional financing from operations and other sources including debt and equity markets as required.

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The following table summarizes the maturities of the Company's non-derivative financial liabilities as at September 30, 2023 and March 31, 2023 based on undiscounted contractual cash flows:

		Payment due by period			Total
		< 1 year	2 - 3 years	4 - 5 years	
Accounts payable and accrued liabilities	\$	3,361,665	\$ -	\$ -	\$ 3,361,665
Lease liability		58,817	63,976	-	122,793
GLL loan		1,786,539	4,405,913	1,193,265	7,385,717
Director's loan		120,000	-	-	120,000
Other debt		125,352	-	-	125,352
<b>September 30, 2023</b>	<b>\$</b>	<b>5,452,373</b>	<b>\$ 4,469,889</b>	<b>\$ 1,193,265</b>	<b>\$ 11,115,527</b>

		Payment due by period			Total
		< 1 year	2 - 3 years	4 - 5 years	
Accounts payable and accrued liabilities	\$	2,224,014	\$ -	\$ -	\$ 2,224,014
Lease liability		72,549	78,612	12,754	163,915
GLL loan		1,803,979	4,162,849	2,396,172	8,363,000
Director's loan		120,000	-	-	120,000
Other debt		38,036	86,337	-	124,373
<b>March 31, 2023</b>	<b>\$</b>	<b>4,258,578</b>	<b>\$ 4,327,798</b>	<b>\$ 2,408,926</b>	<b>\$ 10,995,302</b>

### Currency risk

The Company is exposed to currency risk to the extent that monetary operational expenses are denominated in UK Pounds sterling while the functional currency of Canadian dollar is used for reporting. The Company has not entered into any foreign currency contracts to mitigate this risk.

As at September 30, 2023, the Company had the following financial instruments denominated in foreign currencies:

	Denominated in:	GBP
Warrant liability		-
Put liability		312,053
CosLab Put Liability		2,987
		335,040
Foreign currency rate		1.651
Equivalent in Canadian dollars		553,151

Based on the above net exposure and assuming that all other variables remain constant, a 10% change in the GBP against the CDN would impact net loss and comprehensive loss by \$55,315.

### 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 is exposed to fair value risk with respect to the GLL loan payable, which bears interest at the higher of 9.5% per annum and 8.5% per annum plus SONIA (Sterling Over Night Indexed Average).



# **Britannia Life Sciences Inc.**

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

September 30, 2023

(Expressed in Canadian Dollars, except per share amounts)

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### **17. Subsequent Events**

#### **(a) Expiry of options**

On November 12, 2023, 13,320,000 management options expired unexercised.

#### **(b) Subsequent ADSL Acquisition**

On November 22, 2023, the Company acquired an additional 2% of the outstanding issued share capital of ADSL from the Sellers. A cash payment of GBP 545,023.43 was paid as consideration (CAD: \$942,591).

# Britannia Life Sciences Inc.

## Management's Discussion and Analysis

For the Six Months Ended September 30, 2023 and September 30, 2022

### Management's Discussion and Analysis

The following management's discussion and analysis ("MD&A") is current to November 29, 2023 and should be read in conjunction with Britannia Life Sciences Inc.'s ("BLS" or the "Company") condensed interim consolidated financial statements for the periods ended September 30, 2023 and September 30, 2022 which have been prepared under International Financial Reporting Standards ("IFRS"). Except as otherwise noted, the financial information contained in this MD&A and in the condensed interim consolidated financial statements have been prepared in accordance with IFRS. All amounts are expressed in Canadian dollars unless otherwise noted.

The condensed interim consolidated financial statements can be found at [www.sedar.com](http://www.sedar.com) and [www.britannia.life](http://www.britannia.life). The Company's registered head office 120 Adelaide Street West, Suite 2400, Toronto, Ontario M5H 1T1. The Company's common shares are publicly traded on the Canadian Securities Exchange (BLAB: CSE).

The condensed interim consolidated financial statements comprise the financial statements of the Company, its wholly owned subsidiaries Britannia Bud Canada Holdings Inc. ("BBCH"), Britannia Bud Company Limited ("BBCL"), Jamaica-Blu Ltd., Rise Research Inc., Scout Assessment Corp., Rise Life Science (Colorado), LLC, Brand Max, Inc. dba Cultivate Kind, Life Bloom Organics, LLC, Advanced Development and Safety Laboratories Ltd. ("ADSL") of which Company owns 70% and Cosmetic Labs Limited (CosLab) of which the Company owns 51% (the "Group"). BBCL, ADSL and CosLab operate in the United Kingdom and have a functional currency of UK pounds sterling. Life Bloom Organics, Brand Max Inc. dba Cultivate Kind, and Rise Life Science (Colorado), LLC are domiciled in the United States of America and have a functional currency of US dollars.

The Company's subsidiaries are as follows:

Entity	Jurisdiction of Incorporation	Ownership
Britannia Bud Canada Holdings Inc.	Ontario, Canada	100%
Britannia Bud Company Limited	United Kingdom	100%
Jamaica-Blu Ltd.	Ontario, Canada	100%
Rise Research Inc.	British Columbia, Canada	100%
Scout Assessment Corp.	Ontario, Canada	100%
Rise Life Science (Colorado), LLC	Colorado, United States	100%
Brand Max, Inc. dba Cultivate Kind	California, United States	100%
Life Bloom Organics, LLC	Delaware, United States	100%
Advanced Development & Safety Laboratories Ltd.	United Kingdom	70%
Cosmetic Labs Limited	United Kingdom	51%

All intercompany transactions and balances between and among BLS and its subsidiaries have been eliminated on consolidation. Where necessary, adjustments are made to assets, liabilities, and results of subsidiaries and associates to bring their accounting policies into line with those used by the Company.

### Forward-Looking Statements

This Management's Discussion and Analysis ("MD&A") contains forward-looking information as defined in applicable securities laws (referred to herein as "forward-looking statements") that reflect the Company's current expectations and projections about its future results. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements are based on the current assumptions, estimates, analysis and opinions of management of the Company made considering its experience and its perception of trends, current conditions and expected developments, as well as other factors which the Company believes to be relevant and reasonable in the circumstances.

The Company uses words such as "believes," "may," "plan," "will," "estimate," "continue," "anticipates," "intends," "expects," and similar expressions to identify forward-looking statements, which, by their very nature, are not guarantees of the Company's future operational or financial performance, and are subject to risks and uncertainties, both known and unknown, as well as other factors that could cause the Company's actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements.

# Britannia Life Sciences Inc.

## Management's Discussion and Analysis

For the Six Months Ended September 30, 2023 and September 30, 2022

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Inherent in forward-looking statements are known and unknown risks, uncertainties and other factors beyond the Company's ability to predict or control that may cause the actual results, events or developments to be materially different from any future results, events or developments expressed or implied by such forward-looking statements.

Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about:

- the availability of financing, or the availability of financing on reasonable terms;
- general business and economic conditions;
- regulatory developments;
- interest rates and foreign exchange rates;
- the Company's costs;
- the regulatory environment in which the Company operates;
- the Company's ability to attract and retain skilled staff;
- the impact of changes in Canadian-US dollar, Canadian-UK pound sterling and other foreign exchange rates on the Company's costs and results;
- market competition;
- tax benefits and tax rates; and
- the Company's ongoing relations with its employees and with its business partners.

Although management of the Company believes that these forward-looking statements are based on reasonable assumptions, a number of factors could cause the actual results, performance or achievements of the Company to be materially different from the future results, performance or achievements expressed or implied by such forward-looking statements. The forward-looking statements contained in this MD&A and any documents incorporated by reference herein are expressly qualified by this cautionary statement. The Company cautions you that the foregoing list of important factors and assumptions is not exhaustive. Events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by, these forward-looking statements. You should also carefully consider the matters discussed under "Risk Factors" in this MD&A which provides for additional risks and uncertainties relating to the Company and its business. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of factors, whether as a result of new information or future events or otherwise, other than as may be required by applicable legislation. No assurance can be given that any of the events anticipated will transpire or occur, or if any of them do so, what benefits the Company will derive from them. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether because of new information, future events, or otherwise unless required by law.

### **Operational Highlights and Business Development**

#### **ADSL Acquisition and Put Liability**

BBCH entered into a share purchase agreement dated March 10, 2020, wherein BBCH acquired 60% of each of the Class A and Class B ordinary shares of Advanced Development and Safety Laboratories ("ADSL") from the shareholders of ADSL (the "Sellers"). Completion arrangements in relation to this agreement were made on February 9, 2021 (the "Completion Date").

Pursuant to the terms of the ADSL Acquisition, on the first three anniversaries of the Completion Date, the Company has the right to acquire from the Sellers up to an additional 40% of the share capital for an additional consideration. In circumstances where on expiry of the third anniversary of the Completion Date the Company has not acquired all the ADSL shares, the Sellers have the right to require the Company to purchase all of the ADSL shares it does not yet own (the "Put Liability"). The total consideration payable for the additional shares ("Put Shares") upon exercise of the Put Liability and the closing of the Company's acquisition of the Put Shares would be equal to the total equity value of the Put Shares, which would be based upon the applicable percentage acquired by the Company of the total enterprise value for ADSL.

# Britannia Life Sciences Inc.

## Management's Discussion and Analysis

For the Six Months Ended September 30, 2023 and September 30, 2022

At the close of the ADSL Acquisition, the value of the Put Liability was determined to be \$2,464,315 (GBP 1,404,568), representing the difference between the market price and the contract value of the Put Liability, discounted at a rate of 0.23% per annum and assuming the transaction would take place on February 9, 2024. As at March 31, 2022, the fair value of the put liability was remeasured to \$4,495,033 (GBP 2,738,035), generating a loss on the change in fair value of the put liability for the year ended March 31, 2022 of \$2,059,933.

On April 7, 2022, the Company acquired an additional 10% of the outstanding issued share capital of ADSL (the "Subsequent ADSL Acquisition"). A cash payment of GBP 1,813,358 was paid as consideration for the Subsequent ADSL Acquisition (CAD: \$2,982,066). The put liability has been reduced accordingly and an adjustment has been made to non-controlling interest to reflect the change in ownership post transaction in the period ended March 31, 2023.

As at September 30, 2023, the fair value of the put liability was remeasured to \$515,200 (GBP 312,053), generating a gain on the change in the fair value of the put liability for the three and six months ended September 30, 2023 of \$494,724 and 904,511 respectively (2022: \$350,551 and \$1,429,972).

### Britannia Mining Solutions Inc.

On February 18, 2022, the Company incorporated BMS, a company domiciled and incorporated in Canada under the laws of the Province of Ontario, as a new subsidiary to address the global backlog in mining assays. In establishing the business, BMS issued 500,000 BMS common shares at \$0.001 per BMS common share to the Company. On March 4, 2022, BMS completed a non-brokered private placement of 500,000 of its common shares at \$1.00 per common share for gross proceeds of \$500,000 after which the Company owned 50% of the outstanding issued share capital of BMS and 50% of the voting rights of BMS. During the year ended March 31, 2023 BMS issued 309,000 BMS common shares at \$10.00 per share and during the six months ended September 30, 2023, BMS issued 43,000 BMS common shares at \$10.00 per share after which the Company owns 38% of the outstanding share capital of BMS. The Chief Executive Officer of the Company is both the Chief Executive Officer and sole director of BMS. The BMS by-laws state that both the officers and the directors of BMS are elected by the shareholders, accordingly the investment does not meet the definition of control for the purpose of consolidation.

The continuity of the investment in BMS is as follows:

	\$
<b>Balance as at March 31, 2023</b>	<b>1,269,809</b>
Gain on dilution after equity issuances	47,010
Elimination of associate's management fee	(45,266)
Share of loss in BMS	15,363
<b>Balance as at September 30, 2023</b>	<b>1,286,916</b>

### Acquisition of Cosmetics Lab Limited ("CosLab")

On June 6, 2023 the Company acquired a 51% interest in CosLab, a Southern England-based manufacturer of cosmetic products. A cash payment of GBP 100,000 was paid as consideration for the shares (CAD: \$168,750).

The acquisition has been accounted for using the acquisition method with the results of the operations of CosLab being included in the condensed interim consolidated financial statements since the date of acquisition. In accordance with the Company's accounting policy and IFRS, the Company has up to one year following the acquisition date to finalize the accounting for a business combination. Accordingly, the accounting for the CosLab acquisition has been completed using provisional amounts within these unaudited interim condensed consolidated financial statements.

# Britannia Life Sciences Inc.

## Management's Discussion and Analysis

For the Six Months Ended September 30, 2023 and September 30, 2022

The following table summarizes the purchase price of the acquisition, the fair value of the identifiable assets acquired and liabilities assumed as of the acquisition date:

	\$
	Fair value recognized on acquisition
<b><u>Assets acquired</u></b>	
Cash and cash equivalents	4,103
Accounts receivable	338,642
Inventory	190,539
Property and equipment	172,444
	705,728
<b><u>Liabilities assumed</u></b>	
Accounts payable and accrued liabilities	(296,222)
	(296,222)
Total identifiable net assets at fair value	409,506
Non-controlling interest measured at fair value (49%)	(200,658)
CosLab Put Liability	(42,372)
Goodwill	2,274
<b>Total consideration</b>	<b>168,750</b>

Pursuant to the terms of the CosLab acquisition, the minority shareholder has the right to require the Company to purchase the shares of CosLab it does not yet own (the "CosLab Put Liability"). The total consideration payable for the additional shares ("Put Shares") upon exercise of the CosLab Put Liability and the closing of the Company's acquisition of the Put Shares would be equal to the total equity value of the Put Shares, which would be based upon the applicable percentage acquired by the Company of the total enterprise value for CosLab.

At the close of the CosLab Acquisition, the value of the CosLab Put Liability was determined to be \$42,372 (GBP 25,109), representing the difference between the market price and the contract value of the CosLab Put Liability, discounted at a rate of 0.36% per annum and assuming the transaction would take place on June 1, 2028.

As at September 30, 2023, the fair value of the put liability was remeasured to \$37,951 (GBP 22,987), generating a gain on the change in the fair value of the CosLab Put Liability for the six months ended September 30, 2023 of \$4,421.

### GLL Loan Payable

On April 7, 2022, the Company completed a debt financing arrangement with Growth Lending 2021 Limited ("GLL") that was used to repay the Sellers' loan in full and acquire an additional 10% of ADSL's share capital (see Note 6(a)). The total loan principal value is \$8,222,500 (GBP 5,000,000) with a termination date of April 6, 2027. The Company incurred loan related fees of \$281,158 and a non-cash fee of \$38,500. The net proceeds of the loan are being accreted to the amount payable on maturity over the term. As security the Company pledged the share capital it holds in ADSL and a debenture has been issued between GLL and each of BBCL and ADSL. Interest is payable monthly in advance from inception of the loan and is calculated monthly based on the capital outstanding at the higher of 9.5% per annum and 8.5% per annum plus the SONIA (Sterling Over Night Indexed Average). Principal repayments began in April 2023 with equal monthly instalments of principal and interest from then until April 2027. In the three- and six-month period ended September 30, 2023 the Company made \$450,038 and \$889,554 (GBP: 266,373 and 526,519) of principal payments in relation to the GLL loan respectively (2022: nil).

# Britannia Life Sciences Inc.

## Management's Discussion and Analysis

For the Six Months Ended September 30, 2023 and September 30, 2022

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### Expiry of warrants and options

On July 14, 2023, 893,100 brokers' warrants that were classified as liabilities, expired unexercised. On July 17, 2023, 50,000 options expired unexercised.

### Discussion of Operations

The Company's condensed interim consolidated financial statements have been prepared on a going concern basis in accordance with IFRS. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. There are no material uncertainties that cast significant doubt about the Company's ability to continue as a going concern at this time.

For the period ended September 30, 2023, the Company realized income from operations of \$381,043 (2022: \$337,933) and had positive cash flows from operations of \$1,196,556 (2022: \$899,525). The Company had net income before tax of \$1,127,399 (2022: \$5,237,140). The variances impacting on net income before tax are mainly because of non-cash revaluations of the Company's derivative instruments. The Company had investing outflows of \$311,023 mainly as a result of its acquisition of 51% of Cosmetics Lab Limited ("CosLab") in June 2023. In the prior year, investing outflows were \$3,149,776 due to the acquisition of an additional 10% of ADSL in April 2022. The Company had financing outflows of \$929,468 (2022: 2,650,733) as a result of the principal payments made on the GLL loan which commenced in April 2023. Working capital at September 30, 2023 was (\$738,973) (September 30, 2022: (\$302,169)).

### Financial Information

#### Revenue

Revenue is mainly generated by the Company's operating subsidiary, ADSL. For the period ended September 30, 2023, ADSL contributed \$3,734,805 (2022: \$3,104,298) to the total revenues from sales and services which is a 20% increase versus prior year. ADSL contributed net income from operations of \$1,270,382 (2022: \$1,315,954) to the condensed interim consolidated income from operating activities. The variance from the prior year is mainly the result of finance costs incurred by ADSL in the period ended September 30, 2023, related to the GLL loan. Finance costs in the prior year relate to interest on the Company's lease liabilities. ADSL's income from operations increased 37% when adjusting for the impact of GLL interest costs incurred.

#### Cost of Goods Sold and Gross Margin

Cost of goods sold is comprised of the direct consumables required for the formulation and testing of products as well as associated labour costs, and expenses related to manufacturing and consumer and user trials. Gross profit for the three and six month period ended September 30, 2023 was \$1,479,504 and \$2,952,508 compared to \$1,206,022 and \$2,304,481 for the comparative period. Gross profit margin was 73% versus 74% in the prior year.

Selling, general and administrative expenses increased to \$1,844,064 for the period compared to \$1,215,021 for the comparative period. The increase is largely driven by the CosLab acquisition and related costs as well as investments in management capability and general inflationary pressure at ADSL.

Finance expense for the period ended September 30, 2023 was \$543,995 compared to \$13,301 for the prior period. Finance expense in the current year is mainly related to the interest cost on the GLL loan. In the prior year finance cost related to interest costs on the Company's lease liabilities.

#### Other Income and Expense

Other Income and Expense for the three and six month period ended September 30, 2023 was \$863,744 and \$1,127,399 respectively (2022: \$1,502,004 and \$5,237,140). The majority of the loss is related to the revaluation of the Company's loans and put option liabilities at period end and are unrealized. The Company experienced a foreign exchange loss of \$127,685 for the period ended September 30, 2023, compared to a \$1,610,218 gain in the prior period.

# Britannia Life Sciences Inc.

## Management's Discussion and Analysis

For the Six Months Ended September 30, 2023 and September 30, 2022

Selected financial information, presented under IFRS in the table below:

	For the six months ended September 30, 2023	For the six months ended September 30, 2022
	\$	\$
Revenue	4,027,398	3,104,298
Gross margin	2,952,508	2,304,481
Income from operations	381,043	337,933
Net comprehensive income (loss)	834,919	2,517,264
Basic and diluted earnings (loss) per share	0.00	0.03

  

	For the three months ended September 30, 2023	For the three months ended September 30, 2022
	\$	\$
Revenue	2,073,944	1,594,935
Gross margin	1,479,504	1,206,022
Income from operations	29,572	265,943
Net comprehensive income (loss)	120,922	107,094
Basic and diluted earnings (loss) per share	0.00	0.01

### Adjusted EBITDA

Adjusted EBITDA represents net loss or income adjusted to exclude amortization, depreciation, interest expense and finance costs, foreign exchange gains and losses, income tax expense, listing expense and other charges. Other expenses consist primarily of other income and expenses related to the revaluation of the Company's put option liabilities and adjustments to its equity investment value in BMS.

Adjusted EBITDA is not a recognized, defined or standardized measure under IFRS. The Company's definition of Adjusted EBITDA will likely differ from that used by other companies and therefore comparability may be limited. Adjusted EBITDA should not be considered a substitute for or in isolation from measures prepared in accordance with IFRS. Investors are encouraged to review the Company's financial statements and disclosures in their entirety and are cautioned not to put undue reliance on non-IFRS measures and view them in conjunction with the most comparable IFRS financial measures. The Company has reconciled Adjusted EBITDA to the most comparable IFRS financial measure as follows:

	September 30, 2023	September 30, 2022
		\$
Income (loss) before income taxes	1,127,400	5,237,140
Finance expense	543,995	13,301
Share based compensation expense	183,406	738,226
Depreciation and amortization	136,683	99,823
Foreign exchange loss (gain)	127,685	(1,610,218)
Gain on dilution of Britannia Mining Solutions Inc.	(47,010)	
Other expenses	(794,099)	(3,033,026)
<b>Adjusted EBITDA</b>	<b>1,277,738</b>	<b>1,445,246</b>

  

	June 30, 2023	June 30, 2022
		\$
Income (loss) before income taxes	234,083	3,663,154
Finance expense	270,340	7,408
Share based compensation expense	91,201	367,096
Depreciation and amortization	65,439	54,019
Foreign exchange loss (gain)	552,865	(768,611)
Gain on dilution	(30,655)	
Other expenses	(404,821)	(2,696,668)
<b>Adjusted EBITDA</b>	<b>778,452</b>	<b>626,398</b>

# Britannia Life Sciences Inc.

## Management's Discussion and Analysis

For the Six Months Ended September 30, 2023 and September 30, 2022

### Liquidity and Capital Resources

#### **Warrant Liabilities**

Certain common share purchase warrants have exercise prices denominated in US dollars and therefore their exercise would represent a variable number of common shares. As a result, these common share purchase warrants do not meet the fixed-for-fixed criteria under IFRS to be classified as equity and are therefore treated as a financial liability under IFRS.

#### *Convertible Debenture Warrants*

The Company in its discretion may accelerate the expiration date of the warrants in the event the Company's common shares trade at \$0.26 or more for 20 or more consecutive trading days on the Canadian Securities Exchange.

2,100,249 warrants are held in escrow at September 30, 2023 (2022: 3,500,415).

#### *Brokers' Warrants*

On July 14, 2021, the Company issued 893,100 compensation warrants to brokers, with each compensation warrant being exercisable to acquire one common share at a price of USD \$0.20 for a period of 24 months. The Brokers' Warrants expired unexercised on July 14, 2023. The fair value of the warrant liability for the six-month period ending September 30, 2023 has been adjusted to \$nil (March 31, 2023: \$2,043).

The continuity of the warrant liability is as follows:

	<b>Convertible Debenture Warrants</b>	<b>Brokers' Warrants</b>	<b>Total</b>
	\$	\$	\$
<b>Balance as at March 31, 2023</b>	-	2,043	2,043
Change in fair value	-	(2,043)	(2,043)
<b>Balance as at September 30, 2023</b>	-	-	-

Changes in the number of these warrants outstanding during the period ended September 30, 2023 are as follows:

	<b>Warrants</b>	<b>Amount</b>	<b>Weighted Average Exercise Price</b>
		\$	\$
<b>Balance, March 31, 2023</b>	10,885,440	2,043	0.21
Expired	(10,885,440)	-	0.21
Change in fair value	-	(2,043)	-
<b>Balance, September 30, 2023</b>	-	-	-
<b>Weighted average remaining contractual life (years)</b>			-

### Off Balance Sheet Arrangements

As at September 30, 2023 and the date of this MD&A, the Company does not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the results of operations or financial conditions of the Company.



# Britannia Life Sciences Inc.

## Management's Discussion and Analysis

For the Six Months Ended September 30, 2023 and September 30, 2022

### Related Party Transactions

#### Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The directors, Chief Executive Officer, President, Chief Technical Officer and Chief Financial Officer are key management personnel.

	Three months ended September 30,		Six months ended September 30,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Share based compensation	92,205	371,130	183,406	738,226
Salaries, fees and short term benefits	148,758	127,508	297,240	262,823
	240,963	498,638	480,646	1,001,049

As at September 30, 2023, accounts payable and accrued liabilities included accrued executive and director salaries, fees and short-term benefits of \$441,938 (2022: \$343,874).

### Financial Instruments and Risk Management

The Company has classified its financial instruments as follows:

	September 30, 2023	March 31, 2023
	\$	\$
<b>FVTPL, measured at fair value:</b>		
Cash	2,520,198	2,598,273
Warrant liability	-	2,043
Put option liability	553,151	1,419,711
<b>Financial assets, measured at amortized cost:</b>		
Accounts receivable	1,774,578	1,597,233
<b>Financial liabilities, measured at amortized cost:</b>		
Accounts payable and accrued liabilities	3,081,831	2,224,014
Interest payable	-	-
Sellers' loan	-	-
GLL loan payable	7,225,370	8,030,067
Director's loan	120,000	120,000
Lease liability	102,470	133,856
Other debt	125,352	124,373

The carrying value of the Company's financial instruments approximate their fair value.

### Fair values of financial assets and financial liabilities

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. Fair value estimates are made at the statement of financial position date, based on relevant market information and other information about financial instruments.

# Britannia Life Sciences Inc.

## Management's Discussion and Analysis

For the Six Months Ended September 30, 2023 and September 30, 2022

The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>Financial assets</b>				
Cash	2,520,198	-	-	2,520,198
<b>As at September 30, 2023</b>	<b>2,520,198</b>	<b>-</b>	<b>-</b>	<b>2,520,198</b>
<b>Financial liabilities</b>				
Warrant liability	-	-	-	-
Put option liability	-	553,151	-	553,151
<b>As at September 30, 2023</b>	<b>-</b>	<b>553,151</b>	<b>-</b>	<b>553,151</b>

The Company's activities expose it to a variety of financial risks including foreign currency risk, interest rate risk, credit risk, and liquidity risk. These financial instrument risks are actively managed by the Company's management under the policies approved by board of directors. The principal financial risks are managed by the Company's finance department who work hand in hand with the Board and other key management personnel.

There were no transfers between level levels 1 and 2 for recurring fair value measurements for the period ended September 30, 2023. Further there was no transfer out of level 3 measurements.

### Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is mainly exposed to credit risk from credit sales and manages this risk by endeavouring only to deal with customers which are demonstrably creditworthy and through the continuous monitoring of financial exposure by customers.

Credit risk arises from cash and deposits with banks as well as credit exposure to outstanding receivables, the carrying amounts represent the Company's maximum exposure to credit risk.

The Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

### Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company is exposed to liquidity risk with respect to its contractual obligations and financial liabilities. The Company manages liquidity risk by forecasting its cash needs on a regular basis and seeking additional financing from operations and other sources including debt and equity markets as required.

# Britannia Life Sciences Inc.

## Management's Discussion and Analysis

For the Six Months Ended September 30, 2023 and September 30, 2022

The following table summarizes the maturities of the Company's non-derivative financial liabilities as at September 30, 2023 and 2022 based on undiscounted contractual cash flows:

		Payment due by period			Total
		< 1 year	2 – 3 years	4 – 5 years	
Accounts payable and accrued liabilities	\$	3,361,665	\$ -	\$ -	\$ 3,361,665
Lease liability		58,817	63,976	-	122,793
Sellers' loan		1,786,539	4,405,913	1,193,265	7,385,717
Directors Loan		120,000	-	-	120,000
Other debt		125,352	-	-	125,352
<b>September 30, 2023</b>	<b>\$</b>	<b>5,452,373</b>	<b>\$ 4,469,889</b>	<b>\$ 1,193,265</b>	<b>\$ 11,115,527</b>

		Payment due by period			Total
		< 1 year	2 - 3 years	4 - 5 years	
Accounts payable and accrued liabilities	\$	2,224,014	\$ -	\$ -	\$ 2,224,014
Lease liability		72,549	78,612	12,754	163,915
GLL loan		1,803,979	4,162,849	2,396,172	8,363,000
Directors loan		120,000	-	-	120,000
Other debt		38,036	86,337	-	124,373
<b>March 31, 2023</b>	<b>\$</b>	<b>4,258,578</b>	<b>\$ 4,327,798</b>	<b>\$ 2,408,926</b>	<b>\$ 10,995,302</b>

### Currency risk

The Company is exposed to currency risk to the extent that monetary operational expenses are denominated in US dollar and UK Pounds sterling while the functional currency of Canadian dollar is used for reporting. The Company has not entered into any foreign currency contracts to mitigate this risk.

As at September 30, 2023, the Company had the following financial instruments denominated in foreign currencies:

	Denominated in:	GBP
Warrant liability		-
Put liability		312,053
CosLab Put Liability		2,987
		335,040
Foreign currency rate		1.651
Equivalent in Canadian dollars		553,151

Based on the above net exposure and assuming that all other variables remain constant, a 10% change in the the GBP against the CDN would impact net loss and comprehensive loss by \$55,315.

### 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 is exposed to fair value risk with respect the GLL loan payable, which bear interest payment at the higher of 9.5% per annum and 8.5% per annum plus SONIA (Sterling Over Night Indexed Average).

# Britannia Life Sciences Inc.

## Management's Discussion and Analysis

For the Six Months Ended September 30, 2023 and September 30, 2022

### Capital Disclosures

The Company's objectives when managing capital are to ensure its ability to continue as a going concern in order to pursue investments and opportunities which contribute to the success of the Company while providing shareholder returns. The company attempts to maximize returns to shareholders by also minimizing shareholder dilution and, when possible utilizing non-dilutive funding arrangements.

The Company includes equity comprised of share capital, contributed surplus, warrant reserve, options reserve and accumulated deficit in its definition of capital. The Company has financed its operations and capital requirements primarily through the issuance of shares and secured and convertible notes since inception.

The Company manages its capital structure and adjusts it in light of economic conditions and risk characteristics of its underlying assets. The Company may issue new shares or raise debt. The Company is not subject to any externally imposed capital requirements.

### Share Capital

#### Authorized

The Company has an unlimited number of authorized voting common shares (the "Common Shares").

#### Issued

The outstanding share capital is as follows:

	Shares	Amount	Share issuance costs	Total
	#	\$	\$	\$
As at September 30, 2023	162,254,339	17,107,347	-	17,107,347

28,101,508 common shares are held in escrow as at September 30, 2023 (2022: 46,836,208).

#### Brokers' Warrants

On July 14, 2021, the Company issued 893,100 compensation warrants of the Company to brokers, with each compensation warrant being exercisable to acquire one common share at a price of USD \$0.20 for a period of 24 months. The brokers' common share purchase warrants have exercise prices denominated in US dollars and therefore their exercise would represent a variable number of common shares. As a result, these brokers' common share purchase warrants do not meet the fixed-for-fixed criteria under IFRS to be classified as equity and are therefore treated as a financial liability under IFRS.

#### Warrants

On May 12, 2023 the Company's equity warrants expired unexercised. The continuity of the outstanding equity warrants is as follows:

	Number of Warrants	Weighted average exercise price
		\$
As at March 31, 2023	10,281,940	0.25
Expired	(10,281,940)	0.25
Outstanding as at September 30, 2023	-	-

# Britannia Life Sciences Inc.

## Management's Discussion and Analysis

For the Six Months Ended September 30, 2023 and September 30, 2022

### Options

The Company has a stock option plan with stock options granted to directors, management, employees, management company employees and consultants as a form of compensation. The number of common shares reserved for issuance of stock options is limited to a maximum of 10% of the issued and outstanding shares of the Company at any one time.

Changes to the number of options outstanding for the six months ended September 30, 2023 are as follows:

	Options	Weighted average exercise price \$
<b>As at March 31, 2023</b>	<b>13,370,000</b>	<b>0.22</b>
Expired as at September 30, 2023	(50,000)	0.05
Outstanding as at September 30, 2023	13,320,000	0.22
<b>Exercisable as at September 30, 2023</b>	<b>8,042,000</b>	<b>0.22</b>

The following summarizes information about the options outstanding at September 30, 2023:

Expiry Date	Options issued	Options outstanding	Options exercisable	Weighted average of exercise price \$	Estimated issue date fair value \$	Weighted average remaining outstanding contractual life
Nov 12, 2023	13,320,000	13,320,000	7,992,000	0.21	1,770,929	0.37
	<b>13,320,000</b>	<b>13,320,000</b>	<b>8,042,000</b>	<b>0.21</b>	<b>1,770,929</b>	<b>0.37</b>

The Company recognized share-based payment related to the issuance of stock options for the three and six months ended September 30, 2023 of \$92,206 and 183,406 (September 30 2022: \$371,130 and \$738,226).

The outstanding options and warrants disclosed above were anti-dilutive for the current period and did not impact the calculation of the loss per share.

### Risk Factors

#### Risks Relating to the Company's Common Shares

The Company has not paid any cash dividends on its common shares and, for the foreseeable future, the Company does not intend to pay any cash dividends on its common shares and therefore its shareholders may not be able to receive a return on their shares unless they sell them. Any decision to pay dividends on the common shares of the Company will be made by the Board of Directors based on the assessment of, among other factors, earnings, capital requirements and the operating and financial condition of the Company.

The market price and trading volume of the Company's common shares have been volatile and may continue to be volatile in the future. Variations in earnings estimates by securities analysts and the market prices of the securities of competitors may also lead to fluctuations in the trading price of the common shares. In addition, the financial markets may experience significant price and volume fluctuations that affect the market price of the Company's common shares that are not related to the Company's operating performance. Broad market fluctuation and economic conditions generally, may adversely affect the market price of the Company's common shares.

The significant costs that the Company will incur as a result of being a public company in Canada could adversely affect its business.

# Britannia Life Sciences Inc.

## Management's Discussion and Analysis

For the Six Months Ended September 30, 2023 and September 30, 2022

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### Regulatory Compliance

In the normal course of operations, the Company is subject to various regulations, and violation of these could limit markets into which it can sell or lead to unknown liabilities. The Company considers itself well prepared and operates under caution to ensure the highest levels of safety and compliance exist.

### Responsible Person

A Responsible Person is a legal or natural person who ensures the compliance of each cosmetic product in the EU market with relevant obligations as set forth in Regulation EC No 1223/2009. The Responsible Person is in charge of ensuring that cosmetic products marketed in the European Union comply with this Regulation. The Company faces an inherent risk of exposure to product liability claims, regulatory action, and litigation if products for which it has acted as Responsible Person are alleged to have caused significant loss or injury. A claim or regulatory action against the Company could result in increased costs, could adversely affect the Company's reputation with its clients and consumers generally, and could have a material adverse effect on results of operations and financial condition of the Company.

### Legal Matters

In the normal course of operations, the Company may be subject to a variety of legal proceedings, including commercial, product liability, employment, as well as governmental and other regulatory investigations and proceedings. Such matters can be time-consuming, divert management's attention and resources, and can cause the Company to incur significant expenses. Furthermore, because litigation is inherently unpredictable, and can be very expensive, the results of any such actions may have a material adverse effect on our business, operations, or financial condition.

### Management of Growth

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

While management believes that it will have made the necessary investments in infrastructure to process anticipated volume increases in the short term, the Company may experience growth in the number of its employees and the scope of its operating and financial systems, resulting in increased responsibilities for the Company's personnel, the hiring of additional personnel and, in general, higher levels of operating expenses. In order to manage its current operations and any future growth effectively, the Company will also need to continue to implement and improve its operational, financial and management information systems and to hire, train, motivate, manage and retain its employees. The Company will periodically review and manage its systems, processes and processes through introduction of necessary Enterprise Resource Planning solutions, as well as Human resource functions, however there can be no assurance that the Company will be able to manage such growth effectively, that its management, personnel or systems will be adequate to support the Company's operations or that the Company will be able to achieve the increased levels of revenue commensurate with the increased levels of operating expenses associated with this growth.

In addition, contemplated acquisitions and collaborations involve numerous risks, including, but not limited to: substantial cash expenditures; technology development risks; potentially dilutive issuances of equity securities; incurrence of debt and contingent liabilities, some of which may be difficult or impossible to identify at the time of acquisition; difficulties in assimilating the operations of the acquired companies; potential disputes regarding contingent consideration; diverting the Company's management's attention away from other business concerns; entering markets in which the Company has limited or no direct experience; and potential loss of the Company's key employees or key employees of the acquired companies or businesses. The Company's management has experience in making acquisitions and entering collaborations; however, the Company cannot provide assurance that any acquisition or collaboration will result in short-term or long-term benefits to it. The Company may incorrectly judge the value or worth of an acquired company or business. In addition, the Company's future success would depend in part on its ability to manage the rapid growth associated with some of these acquisitions and collaborations. The Company cannot provide assurance that it would be able to successfully combine its business with that of acquired businesses or manage a collaboration. Furthermore, the development or expansion of the Company's business may require a substantial capital investment by the Company.

### Success of Quality Control Systems

The accuracy, quality, and safety of the Company's products and services are critical to the success of its business and operations. As such, it is imperative that the Company's quality control systems operate effectively and successfully. Quality control systems

# Britannia Life Sciences Inc.

## Management's Discussion and Analysis

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can be negatively impacted by the design of the quality control systems, the quality training program, and adherence by employees to quality control guidelines. Although the Company strives to ensure that all its service providers have implemented and adhere to high caliber quality control systems, any significant failure or deterioration of such quality control systems could have a material adverse effect on the Company's business and operating results.

### Consumer/Clinical Trial Results and Adverse Safety Events

From time to time, studies and consumer or clinical evaluations on various products including CBD may be conducted by the Company, academic researchers, competitors, or others. The results of these studies or trials, when published, may have a significant effect on the marketability of the substance that is the subject of the study. The publication of negative results of studies or clinical trials, or the occurrence of adverse safety events related to CBD could adversely affect the Company and its clients by impacting the marketability of products, share price and ability to finance future operations.

### Confidentiality of Personal and Health Information

The Company and its subsidiaries' employees and consultants have access, in the course of their duties, to personal information of clients of the Company and specifically their medical histories. The Company endeavors to maintain General Data Protection Regulation (GDPR) compliance in its data collection, however there can be no guarantee that these existing policies, procedures, and systems will be sufficient to address the privacy concerns of existing and future clients whether or not such a breach of privacy were to have occurred as a result of the Company's employees or arm's length third parties. If a client's privacy is violated, or if the Company is found to have violated any law or regulation, it could be liable for damages or for criminal fines and/or penalties.

### People and Process Risk

A variety of factors may affect the Company's future growth and operating results, including the strength and demand for the Company's services, the extent of competition in our markets, the ability to recruit and retain qualified personnel, and the ability to address consumer demand. The Company relies on certain key employees whose skills and knowledge are critical to maintaining the Company's success. The Company always strives to identify and retain key employees and always strives to be competitive with compensation and working conditions.

### Subsequent Events

#### **(a) Expiry of options**

On November 12, 2023, 13,320,000 management options expired unexercised.

#### **(b) Subsequent ADSL Acquisition**

On November 22, 2023, the Company acquired an additional 2% of the outstanding issued share capital of ADSL from the Sellers. A cash payment of GBP 545,023.43 was paid as consideration (CAD: \$942,591).