

**GOODBODY HEALTH LIMITED**  
**(Formerly GOODBODY HEALTH INC. )**

Unaudited Condensed Interim Consolidated Financial Statements for  
the nine month period ended September 30, 2022  
*(Expressed in GBP)*

**NOTICE OF NO AUDITOR REVIEW  
OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

Under National Instrument 51-102 “Continuous Disclosure Obligations”, if an auditor has not performed a review of the interim financial statements, the financial statements must be accompanied by a notice indicating that they have not been reviewed by an auditor.

The accompanying unaudited interim condensed consolidated financial statements of the Company have been prepared by and are the responsibility of the Company’s management.

The Company’s independent auditor has not performed a review of these unaudited interim condensed consolidated financial statements in accordance with standards established by CPA (Chartered Professional Accountants) Canada for a review of unaudited interim condensed consolidated financial statements by an entity’s auditor.

Nov 10, 2022

**GOODBODY HEALTH LIMITED (FORMALLY GOODBODY HEALTH GROUP INC.)**

Condensed Unaudited Interim Consolidated Statements of Financial Position

(Expressed in GBP)

	Note	September 30, 2022	December 31, 2021
		£	£
<b>Assets</b>			
Cash and cash equivalents	5	3,049,552	6,068,172
Trade receivables		76,003	277,810
Refundable sales taxes receivable		118,284	144,597
Inventories	6	484,218	588,717
Assets held for sale	9	1,835	46,345
Prepaid expenses and deposits		161,128	146,145
Other current assets		41,091	24,372
<b>Total Current Assets</b>		<b>3,932,111</b>	<b>7,296,158</b>
Plant and equipment	7	2,480,597	2,602,306
Right of use assets	8	142,552	341,792
Intangible assets	10	95,188	30,941
Goodwill	10	572,072	572,072
<b>Total Assets</b>		<b>7,222,520</b>	<b>10,843,269</b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities		920,684	2,319,768
Current portion of lease obligation	11	121,344	152,111
Corporation tax provision		267,376	267,376
Other current liabilities		437,728	850,715
	13	1,747,132	3,589,970
Long-term portion of lease obligation	11	17,594	184,842
<b>Total Liabilities</b>		<b>1,764,726</b>	<b>3,774,812</b>
<b>Shareholders' Equity</b>	12		
Share capital		15,124,402	15,124,402
Share based payment reserve		3,604,331	3,584,962
Accumulated other comprehensive Income		1,337,008	332,321
Deficit		(14,607,947)	(11,973,228)
<b>Shareholders' Equity</b>		<b>5,457,794</b>	<b>7,068,457</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>7,222,520</b>	<b>10,843,269</b>

Nature and continuance of operations (note 1)

Approved and authorised for dissemination on behalf of the Board of Directors on November 10, 2022:

"Marc Howells"

Marc Howells – Director

"Anne Tew"

Anne Tew - Director

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

**GOODBODY HEALTH LIMITED**

## Condensed Unaudited Interim Consolidated Statements of Loss and Comprehensive Loss

*(Expressed in GBP)*

	Note	For the three months ended September 30		For the nine months ended September 30	
		2022	2021	2022	2021
		£	£	£	£
Revenue		<b>1,886,155</b>	5,017,521	<b>9,289,435</b>	9,875,187
Cost of sales		<b>(1,039,442)</b>	(2,336,994)	<b>(4,824,437)</b>	(4,572,592)
<b>Gross profit</b>		<b>846,713</b>	2,680,527	<b>4,464,998</b>	5,302,595
<b>Operating Expenses</b>					
General and administrative expenses	<b>4</b>	<b>(1,685,368)</b>	(2,297,908)	<b>(5,950,371)</b>	(5,545,773)
Share-based payment charges	<b>12</b>	<b>(3,156)</b>	(14,980)	<b>(19,369)</b>	(70,625)
Depreciation and amortization		<b>(141,366)</b>	(257,797)	<b>(406,519)</b>	(787,178)
Interest income / (expense)		<b>2,429</b>	(3,176)	<b>(1,681)</b>	(10,145)
Fair value (loss) / gain on investments		<b>25</b>	1,103	<b>1,058</b>	1,993
Grant income		-	11,066	-	17,801
Other Income		-	17,017	-	219,095
Foreign currency translation on intercompany loans		<b>(285,531)</b>	(133,994)	<b>(766,124)</b>	(395,764)
<b>Loss before income taxes</b>		<b>(1,266,254)</b>	1,858	<b>(2,678,008)</b>	(1,268,001)
Income tax		-	-	-	-
<b>Net loss</b>		<b>(1,266,254)</b>	1,858	<b>(2,678,008)</b>	(1,268,001)
<b>Items that may be reclassified to profit or loss</b>					
Currency translation adjustment		<b>363,464</b>	5,983	<b>1,004,687</b>	401,707
<b>Comprehensive profit/(loss) for the year</b>		<b>(902,790)</b>	7,841	<b>(1,673,321)</b>	(866,294)
<b>Profit/(loss) per share</b>		<b>Pence</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
Basic and diluted		<b>(2.47)</b>	0.02	<b>(4.58)</b>	(2.55)
Weighted number of shares outstanding		<b>36,496,276</b>	36,461,591	<b>36,496,276</b>	33,992,592

Note: Weighted number of shares for comparative years have been updated to reflect the one for ten consolidation on shares undertaken during the period.

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

**GOODBODY HEALTH LIMITED**

Condensed Unaudited Interim Consolidated Statements of  
Changes in Equity  
(Expressed in GBP)

	Number of Outstanding Shares	Share Capital	Share Based payment Reserve	Trans lation Reserve	Deficit	Total Shareholder's Equity
		£	£	£	£	£
<b>Balance, January 1, 2021</b>	<b>302,592,941</b>	<b>12,915,426</b>	<b>2,874,218</b>	<b>153,693</b>	<b>(9,658,848)</b>	<b>6,284,489</b>
Share-based payments	—	—	70,625	—	—	70,625
Shares issued	62,022,972	2,849,522	—	—	—	2,849,522
Share issuance costs	—	(163,542)	—	—	—	(163,542)
Transfer for options forfeited	—	—	(32,974)	—	32,974	—
Currency translation reserve	—	—	1,670	401,707	(222,497)	180,880
Net loss	—	—	—	—	(1,268,001)	(1,268,001)
<b>Balance, September 30, 2021</b>	<b>364,615,913</b>	<b>15,601,406</b>	<b>2,913,539</b>	<b>555,400</b>	<b>(11,116,372)</b>	<b>7,953,973</b>
<b>Balance, January 1, 2022</b>	<b>364,962,152</b>	<b>15,124,402</b>	<b>3,584,962</b>	<b>332,321</b>	<b>(11,973,228)</b>	<b>7,068,457</b>
Share-based payments (note 14)	—	—	19,369	—	—	19,369
Transfer for options forfeited	—	—	—	—	43,289	43,289
One for ten share consolidation	36,496,276	—	—	—	—	—
Currency translation reserve	—	—	—	1,004,687	—	1,004,687
Net loss	—	—	—	—	(2,678,008)	(2,678,008)
<b>Balance, September 30, 2022</b>	<b>36,496,276</b>	<b>15,124,402</b>	<b>3,604,331</b>	<b>1,337,008</b>	<b>(14,607,947)</b>	<b>5,457,794</b>

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

**GOODBODY HEALTH LIMITED**

Condensed Unaudited Interim Consolidated

Statements of Cash Flows

*(Expressed in GBP)*

<b>For the nine months ended September 30,</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>		
Total net loss	<b>(2,678,008)</b>	(1,268,001)
<b>Adjustments for non-cash items:</b>		
Amortization (notes 7,8,10)	<b>406,519</b>	787,178
(Gain)/loss on disposal of plant and equipment	<b>(93,249)</b>	9,442
Impairment of Inventory	<b>36,219</b>	42,065
Bad debt written off	<b>(700)</b>	-
Share based payment charges	<b>19,369</b>	70,625
Interest on lease liabilities	<b>1,688</b>	10,145
Fair value (profit)/loss on investments	<b>(1,058)</b>	(1,993)
Unrealised currency (profit)/loss	<b>1,053,901</b>	377,872
<b>Changes in non-cash working capital items:</b>		
Trade receivables	<b>202,507</b>	(167,755)
Prepayments and other current assets	<b>(31,702)</b>	(429,953)
Sales taxation repayable	<b>26,313</b>	(42,742)
Inventory	<b>112,789</b>	(367,371)
Accounts payable	<b>(1,399,084)</b>	549,448
Accruals and other current liabilities	<b>(412,988)</b>	203,873
<b>Cash flows from operating activities</b>	<b>(2,757,484)</b>	(227,167)
Income taxation	-	-
<b>Net cash from operating activities</b>	<b>(2,757,484)</b>	(227,167)
<b>Cash flows from investing activities</b>		
Investment in plant and equipment (note 8)	<b>(231,610)</b>	(154,339)
Payments for intangible assets	<b>(24,086)</b>	(3,953)
Proceeds for sale of plant and equipment	<b>194,263</b>	660
<b>Net cash provided by (used in) investing activities</b>	<b>(61,433)</b>	(157,632)
<b>Cash flows from financing activities</b>		
Net proceeds from placing of equity shares	-	2,849,522
Share issuance costs	-	(163,542)
Payments on lease liability	<b>(199,703)</b>	(145,879)
<b>Net cash used in (provided by) financing activities</b>	<b>(199,703)</b>	2,540,101
<b>Net increase/(decrease) in cash</b>	<b>(3,018,620)</b>	2,155,302
<b>Cash, beginning of the year</b>	<b>6,068,172</b>	1,872,597
<b>Cash, ending of the period</b>	<b>3,049,552</b>	4,027,899

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

## GOODBODY HEALTH LIMITED

Notes to the Condensed Unaudited Interim Consolidated Financial Statements  
For the Nine Months Ended September 30, 2022 and 2021  
(Expressed in GBP)

---

### 1. NATURE AND CONTINUANCE OF OPERATIONS

Goodbody Heath Limited is a wellness company operating in both wellness testing in the United Kingdom and as a vertically integrated cannabinoid “CBD” company that operates in the United Kingdom and the European Union. Goodbody has interests in COVID, blood, genome and other wellness testing, CBD extraction, wholesale bulk isolate / distillate sales, retail CBD and white label sales, and cannabinoid laboratory testing. The Company has a network of testing clinics across the United Kingdom, a production plant and testing laboratory in the UK and an extraction facility in Poland, which produces CBD isolate and distillate. Both the Poland and the UK facilities have cannabinoid testing laboratories. Goodbody undertakes wellness testing for customers wanting to manage their health as well as selling wholesale and white-label CBD operating a variety of brands in the retail space.

Goodbody Health’s vision is to be recognised as one of the leading health & wellness companies in the territories that it operates. Goodbody is an aggregator of the highest quality, most innovative range of health services and products which include covid tests, blood tests, genome tests, other diagnostic tests, technology and CBD products to meet today’s fast evolving consumer expectations. We plan to expand our distribution network and relevant partnerships to provide these high-quality health products and services in the UK and Europe.

Goodbody Health Inc. (the “Company”) was incorporated under the Business Corporations Act (British Columbia). The company migrated to Guernsey on 19<sup>th</sup> August 2022 and became Goodbody Health Limited. The head office, principal address and records office of the Company are located at PO Box 282, Oak House, Hirzel Street, St Peter Port, Guernsey, GY1 2NP.

On January 12, 2022, the Company changed its name to Goodbody Health Limited to represent its broader health and wellness range of products and services offered through its clinics in the UK. The Company’s common shares were traded on the Canadian Securities Exchange (“CSE”) until 17<sup>th</sup> August 2022 and ongoing on the Apex segment of the AQSE Growth Market (“AQSE”), under the trading symbol “GDBY”, is quoted on the over-the-counter (“OTC”) QB market in the United States under the trading symbol “GDBYF”, and the Frankfurt Stock Exchange “FSE”, under the trading symbol 4840.

The condensed unaudited interim consolidated financial statements were authorized for issue by the Board of Directors on November 10, 2022.

**GOODBODY HEALTH LIMITED**

Notes to the Condensed Unaudited Interim Consolidated Financial Statements  
For the Nine Months Ended September 30, 2022 and 2021  
(Expressed in GBP)

---

**2. BASIS OF PRESENTATION**

The condensed unaudited interim consolidated financial statements for the nine months ended September 30, 2022, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations by the IFRS Interpretations Committee.

The Company's significant accounting policies are further described below.

**Basis of measurement**

These condensed unaudited interim consolidated financial statements are presented in British pounds. These condensed unaudited interim consolidated financial statements have been prepared on a historical cost basis. In addition, these condensed unaudited interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

**Basis of consolidation**

The condensed unaudited interim consolidated financial statements include the accounts and results of operations of the Company and its operating subsidiaries listed in the following table:

Name of Subsidiary	Place of Incorporation	Ownership Interest	
		September 30, 2022	September 30, 2021
Olimax NT	Poland	100%	100%
Olimax RE (merged 31/12/21 with Olimax NT)	Poland	0%	100%
Sativa Wellness Group Poland	Poland	100%	100%
Goodbody Group Ltd	England	100%	100%
Goodbody Botanicals Ltd	England	100%	100%
Phytovista Laboratories Ltd	England	100%	100%
Goodbody Wellness Limited	England	100%	100%
Sativa Cultivation (dissolved 7/12/21)	England	0%	100%
Sativa GMBH (ownership transferred 16/10/21)	Germany	0%	60%

Olimax NT and Olimax RE merged on December 31, 2021, to become Olimax NT.



**GOODBODY HEALTH LIMITED**

Notes to the Condensed Unaudited Interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2022 and 2021

*(Expressed in GBP)*

---

**2. BASIS OF PRESENTATION (Continued)**Use of estimates and judgements.

The preparation of these condensed unaudited interim consolidated financial statements requires the use of estimates and judgements that affect the application of the Company's accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and the underlying assumptions which are used to create these estimates are reviewed on an ongoing basis by the Company's management. Any revisions to accounting estimates are recognized in the period which the estimates are revised and in any future periods effected.

*(a) Business combinations*

Management uses judgement when determining whether an acquisition constitutes a business combination, or an acquisition of assets based on the facts and circumstances of the transaction by comparison to the criteria listed in IFRS 3 – Business Combinations. In order to determine the purchase price of a business combination, including any acquisition-related contingent consideration, and determining the allocation of the purchase price requires estimation of fair value of the non-cash consideration and fair value of the assets acquired and liabilities assumed.

*(b) Inventory*

Inventory is valued at the lower of cost and net realizable value. Net realizable value is determined as the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The Company estimates selling price based upon assumptions about future demand and current and anticipated retail market conditions.

*(c) Plant and equipment*

Estimates of the useful lives of plant and equipment and intangible assets are based on the period over which the assets are expected to be available for use. The estimated useful lives are reviewed annually and are updated if expectations differ from previous estimates due to technical or commercial obsolescence, not electing to exercise renewal options on Leases, and legal or other limits on the use of the relevant assets. In addition, the estimation of the useful lives of the relevant assets may be based on internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in the factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the plant and equipment would increase the recorded expenses and decrease the non-current assets.

## GOODBODY HEALTH LIMITED

Notes to the Condensed Unaudited Interim Consolidated Financial Statements  
For the Nine Months Ended September 30, 2022 and 2021  
(Expressed in GBP)

---

### 2. BASIS OF PRESENTATION (Continued)

#### *(d) Share-based compensation*

The Company uses the Black-Scholes Option-Pricing Model to determine the grant date fair value of share-based compensation. The following assumptions are used in the model:

- Expected volatility;
- Risk-free interest rate;
- Fair value (based on its share value as though it was vested at the grant date); and
- Expected option life.

#### *(e) Critical judgments in determining the lease term*

In determining the lease term, the Company considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. The assessment is reviewed if a significant event of a significant changes in circumstance occurs which affects this assessment.

#### *(f) Segments*

The Company evaluated the business activities from which it earns revenues and incurs expenses, at which level the operating results are reviewed by the chief operating decision maker and for which discrete financial information is available. The Company has determined that it currently operates in one segment, the sale of health and wellness products and services. This is because all its services relate to the wellness market and can be targeted together at a similar customer base for end products and services.

#### *(g) Intangible Assets and Goodwill*

Management is required to use judgement in determining the economic useful lives of identifiable intangible assets. Judgement is also required in identifying indicators of impairment and in identifying the Company's cash generating units ("CGUs"). Judgements and estimates are required are also required in forecasting the future cash generation, the appropriate weighted average cost of capital to apply for discounted cashflows.

Existing Goodwill from earlier acquisitions were tested using future discounted cashflows of both Phytovista Laboratories Ltd and Goodbody Botanicals Ltd. Phytovista is forecast a steady growth, having recently obtained a Home Office controlled drugs handling license and already holding the laboratory ISO27001 certification, allowing it to attract new customers that require this accreditation. Goodbody Botanicals saw significant growth due to its COVID testing business which has now been transferred to Goodbody Wellness Limited another group company. However it has achieved the UK novel food status for all its CBD products and anticipates achieving higher sales as competitors without this status are removed from the UK market.

**GOODBODY HEALTH LIMITED**

Notes to the Condensed Unaudited Interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2022 and 2021

*(Expressed in GBP)*

---

**2. BASIS OF PRESENTATION (Continued)***(h) Income Taxation*

The company produces detailed tax schedules which it includes as a note at the end of each financial Year. Each quarter income tax is estimated based on the financial results of that quarter and included in the financial statements.

*(i) Going Concern*

The Company regularly reviews and makes an assessment of its ability to continue as a going concern. This assessment relies on significant judgements and assumptions, taking into account known future information, including whether events or conditions create material uncertainties that may cast significant doubt on the ability to continue as a going concern.

The outbreak of the coronavirus known as "COVID-19", spread across the globe in 2020 and impacted worldwide economic activity in 2020, 2021 and into 2022. The business responded to the pandemic in the UK by offering COVID-19 testing which had a positive impact on the revenue and cashflows of the business generating the highest income period during 2021. This allowed the group to expand through a network of clinics that have now been developed to offer a range of other wellness testing and services to generate income including blood testing and ear wax removal.

It is therefore not considered necessary for these condensed unaudited interim consolidated financial statements to reflect the adjustments to the carrying values of assets and liabilities, the reported revenues and expenses, and the statement of financial position classifications used, that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Further, management has concluded that there are no material uncertainties that may cast significant doubt on the ability to continue as a going concern.

**GOODBODY HEALTH LIMITED**

Notes to the Condensed Unaudited Interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2022 and 2021

*(Expressed in GBP)***3. SIGNIFICANT ACCOUNTING POLICIES****(a) Plant and Equipment**

Plant and equipment is measured at cost, net of accumulated depreciation and any impairment losses. Construction costs, including borrowing costs, that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized. Depreciation is recognized on a straight line and declining basis according to the perceived loss in value using the following rates:

Furniture and Fittings	3 – 5 years
Computer Equipment	3 years
Plant and Equipment	10% reducing balance/3-7 years
Leasehold Improvements	In line with lease length
Transport Equipment	3 – 7 years
Land	Nil
Buildings	10 - 40 years

Factors including residual value, useful lives and depreciation methods for each class of plant and equipment are reviewed at least annually and adjusted when appropriate. When individual parts of equipment have determinable useful lives, which differ from the asset as a whole, they are accounted for as separate items of plant and equipment. Land is not depreciated. From the start of 2022 the depreciation rate for the extraction plant in Poland was reduced to from 20% to 10% as since it was installed the expected life has been evaluated as longer than first reflected.

Gains and losses on disposal of items of plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the item at the date of disposal and recognized in profit or loss. Assets and construction in progress are transferred to building, production equipment, and building improvements when available for use, which is defined as when they are in the location and condition necessary to be capable of operating in the manner intended by management, and depreciation of the asset commences at that point.

**(b) Inventory**

Inventory consists of clinic test kits, hemp raw materials, other raw ingredients and cannabinoid finished products that are carried at the lower of cost or net realizable value. Net realizable value is determined as the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Cost is determined using the First in first out (FIFO) cost basis. Products for resale and supplies and consumables are valued at lower of cost and net realizable value.

The Company reviews inventory for obsolete, redundant and slow-moving goods and any such inventory are written down to net realizable value. Raw materials held for use in production are not written down below acquisition or cost of production if the products in which they will be incorporated are expected to be sold at or above cost. However, when a decline in the price of materials indicates that the cost of the products exceeds net realizable value, the materials are written down to net realizable value.

**GOODBODY HEALTH LIMITED**

Notes to the Condensed Unaudited Interim Consolidated Financial Statements  
For the Nine Months Ended September 30, 2022 and 2021  
(Expressed in GBP)

---

**3. SIGNIFICANT ACCOUNTING POLICIES (Continued)****(c) Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as of the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding costs and professional fees required to obtain licenses or IP, including purchased logos and customers gained through merger, evaluated as having a market value, are not capitalized and expenditures are reflected in the consolidated statements of loss and comprehensive loss in the period which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over their useful economic lives and assessed for whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the remaining amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the consolidated statements of loss and comprehensive loss in the expense category consistent with the function of the intangible assets and are amortized over 10 years.

---

Brands	10 years
--------	----------

---

**(d) Goodwill**

Goodwill is only recognized as part of business combinations and is an asset representing the future economic benefits produced by assets acquired in a merger or acquisition that are not individually recognized. Whether goodwill is impaired is assessed each year. Goodwill is measured at historical cost less any impairment losses. Goodwill is not amortized but is systematically tested for impairment annually in the fourth quarter or earlier if there is an indication of impairment. An increase in interest rates, a drop-in sales or reduction in operating profit are some of the indicators of impairment that management monitors.

**(e) Units Issuance**

From time to time, the Company may issue Units as a means of raising capital. Ordinarily, each unit contain one common share and the Company and a whole, or fraction of, a share purchase warrant. The company allocates the proceeds from each unit to the common share a warrant component based on their relative fair value using the Black-Sholes pricing model. Transaction costs arising on the issue of units are recognized in equity as a reduction of the proceeds allocated to issued share capital and warrants on a pro rate basis.

**GOODBODY HEALTH LIMITED**

Notes to the Condensed Unaudited Interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2022 and 2021

*(Expressed in GBP)*

---

**3. SIGNIFICANT ACCOUNTING POLICIES (Continued)****(f) Shared-based payments**

The Company operates a stock option plan. The Company may grant stock options to buy capital stock of the Company to directors, officers, consultants and employees from time to time. The board of directors grants such options for periods of up to ten years, with vesting periods determined at its discretion and at prices equal to or greater than the closing market price on the day preceding the date the options were granted.

The fair value of the options is measured at grant date, using the Black-Scholes Option Pricing Model, and is recognized over the period that the employees earn the options. The fair value is recognized as an expense with a corresponding increase in equity. The amount recognized as expense is adjusted to reflect the number of share options expected to vest.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received unless that fair value cannot be estimated reliably in which case, they are measured at the fair value of the equity instruments granted. Amounts related to the issuance of Shares are recorded as a reduction of share capital. If the fair value of the goods or services received cannot be estimated reliably, the goods or services received, and the corresponding increase in equity are measured, indirectly, by reference to the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders service.

**(g) Deferred income taxes**

Deferred income tax assets and liabilities are recognized for deferred income tax consequences attributable to differences between the condensed unaudited interim consolidated financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred income tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized, or the liability settled. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs. To the extent that the Company does not consider it more likely than not that a deferred income tax asset will be recovered, the deferred income tax assets is reduced. Deferred income tax assets and liabilities are offset only if a legally enforceable right exists to offset current tax assets against liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

**(h) Profit/(loss) per share**

Basic profit/(loss) per share is calculated by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is calculated by dividing income available to common shareholders by the weighted average number of shares outstanding on a diluted basis. The weighted average number of shares outstanding on a diluted basis takes into account the additional shares for the assumed exercise of stock options and warrants, if dilutive. Because the Company incurred net losses to date, the effect of dilutive instruments would be anti-dilutive and therefore diluted loss per share equals basic loss per share. The company exercised a ten to one consolidation of shares on August 18<sup>th</sup> and therefore the calculation for previous periods has been rebased for comparative purposes.

## GOODBODY HEALTH LIMITED

Notes to the Condensed Unaudited Interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2022 and 2021

(Expressed in GBP)

---

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (i) Foreign currency translation

The functional currency of each entity is measured using the currency of the primary economic environment in which that entity operates. The condensed unaudited interim consolidated financial statements are presented in British Pounds which is the main operating companies functional and presentation currency. The functional currency of Olimax NT and Sativa Wellness Poland subsidiaries that have operations in Poland, is the Polish Zloty. The functional currency of Goodbody Health Limited is British Pounds. The functional currency of Goodbody Group, Goodbody Botanicals, Goodbody Wellness and Phytovista Laboratories, subsidiaries with operations in the UK, is British Pounds.

Transactions and balances:

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in the statement of loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge. Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

Foreign operations:

The financial results and position of foreign operations whose functional currency is different from the Company's presentation currency are translated as follows:

- assets and liabilities are translated at period-end exchange rates prevailing at that reporting date; and
- income and expenses are translated at average exchange rates for the period.

Exchange differences arising on translation of foreign operations are recognized in other comprehensive income and recorded in the Company's foreign currency translation reserve in equity. These differences are recognized in the profit or loss in the period in which the operation is disposed.

**GOODBODY HEALTH LIMITED**

Notes to the Condensed Unaudited Interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2022 and 2021

*(Expressed in GBP)*

---

**3. SIGNIFICANT ACCOUNTING POLICIES (Continued)****(j) Impairment of non-financial assets**

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the year. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs. A cash generating unit is the smallest group of assets for which there are separate identifiable cash flows.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss. An impairment loss recognized with respect to goodwill cannot be subsequently reversed.

**(k) Revenue recognition**

Under IFRS 15, revenue is to be recognized in a manner that reflects the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances. The standard also specifies the accounting for the incremental cost of obtaining a contract and the costs directly related to fulfilling a contract.

Performance obligations for the contracts that the Company enters into are completed in less than twelve months, and as such, the Company applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose information about remaining performance obligations as the original expected durations are one year or less.

Revenue is recognized when control of the goods or services provided has transferred to the purchaser and the collectability is reasonably assured. Revenues are recorded net of VAT and other sales related taxes as well as net of any trade discounts and volume rebates. For product sales of cannabis derivative products, control is transferred when goods have been shipped. For clinic and cannabinoid testing, the Company satisfies the performance obligations at the point in time when test results are delivered to the customer.



**GOODBODY HEALTH LIMITED**

Notes to the Condensed Unaudited Interim Consolidated Financial Statements  
For the Nine Months Ended September 30, 2022 and 2021  
(Expressed in GBP)

---

**3. SIGNIFICANT ACCOUNTING POLICIES (Continued)****(l) Financial instruments**

Financial instruments are accounted for in accordance with IFRS 9, “Financial Instruments: Classification and Measurement”. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The following table shows the classification under IFRS 9:

Financial asset/ liability	Classification IFRS 9
Cash and cash equivalents	Amortized cost
Trade receivables	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Lease obligations	Amortized cost
Other current assets	Amortized cost
Other current liabilities	Amortized cost

**Non-derivative financial assets**

The Company classifies its financial assets in the following categories: at fair value through profit or loss (“FVTPL”), at fair value through other comprehensive income (“FVTOCI”) or at amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. Measurement and classification of financial assets is dependent on the Company’s business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred.

**Financial assets at FVTPL**

Financial assets carried at FVTPL are initially recorded at fair value, and transaction costs are expensed in the statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in profit and loss in the period in which they arise. Derivatives are also categorized as FVTPL unless they are designated specifically as hedges.

**Financial assets at FVTOCI**

Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income following the derecognition of the investment.

**Financial assets at amortized cost**

Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date. Gains and losses on derecognition of financial assets classified amortized cost are recognized in profit or loss.

## GOODBODY HEALTH LIMITED

Notes to the Condensed Unaudited Interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2022 and 2021

(Expressed in GBP)

---

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (n) Financial instruments (Continued)

##### Financial liabilities

Financial liabilities are recognized initially at fair value, net of transaction costs incurred, and are subsequently measured at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in profit and loss over the period to maturity using the effective interest method.

##### Expected credit losses

The Company is required to recognize expected credit losses when financial instruments are initially recognized and to update the amount of expected credit losses recognized at each reporting date to reflect changes in the credit risk of the financial instruments. In addition, IFRS 9 requires additional disclosure requirements about expected credit losses and credit risk.

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the loss allowance is measured for the financial asset at an amount equal to twelve month expected credit losses. For trade receivables the Company applies the simplified approach to providing for expected credit losses, which allows the use of a lifetime expected loss provision. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

#### (o) Provisions

Provisions are recognized where a legal or constructive obligation has been incurred as a result of past events, it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. If material, provisions are measured at the present value of the expenditures expected to be required to settle the obligation. Provisions are also recognized where there is a reasonable probability that assets being held, such as stock or trade debtors, will not achieve the expected value in the condensed unaudited interim consolidated financial statements. These provisions will reduce the value to a more likely value.

#### (p) Leases

The Company recognizes a right of use asset and a lease liability at the lease commencement date in accordance with IFRS 16. The right of use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made on or before the commencement date, plus any initial direct costs incurred, less any lease incentive received. The right of use asset is subsequently depreciated to the earlier of the end of the useful life of the right of use asset or the lease term using the straight-line method. The lease term includes periods covered by an option to extend if the Company is reasonably certain to exercise that option. The right of use asset may be adjusted for certain remeasurements of the lease liability and impairment losses, if any.

**GOODBODY HEALTH LIMITED**

Notes to the Condensed Unaudited Interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2022 and 2021

*(Expressed in GBP)***3. SIGNIFICANT ACCOUNTING POLICIES (Continued)****(p) Leases (continued)**

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The Company uses a single discount rate for a portfolio of leases with reasonable similar characteristics. The lease liability is measured at the amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the amount expected to be payable under a residual value guarantee, or if there is a change in the Company's assessment of whether it will exercise a purchase, extension or termination option. Leases that have a term of less than 12 months or leases with an underlying asset of low value are recognized as expenses to profit or loss.

**(q) Segments**

A segment is a distinguishable component of the Company that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Company evaluated the business activities from which it earns revenues and incurs expenses, at which level the operating results are reviewed by the chief operating decision maker and for which discrete financial information is available. The Company operates in one segment, the sale of health and wellness products and services.

**4. GENERAL AND ADMIN COSTS**

	<b>For the three months ended September, 30</b>		<b>For the nine months ended September, 30</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Sales and Marketing	699,576	1,133,845	2,266,787	2,524,266
Professional Fees	256,776	175,666	781,761	764,234
Staff costs	480,563	600,540	1,637,455	1,389,741
Infrastructure	138,810	115,389	554,654	321,336
Operational	110,004	142,682	460,297	238,154
Travel and Entertaining	60,425	38,059	162,497	84,636
Admin and financial	52,650	92,271	226,396	227,474
Net other Income	(113,436)	(544)	(139,476)	(4,068)
<b>Total General and Admin Costs</b>	<b>1,685,368</b>	<b>2,297,908</b>	<b>5,950,371</b>	<b>5,545,773</b>

**GOODBODY HEALTH LIMITED**

Notes to the Condensed Unaudited Interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2022 and 2021

*(Expressed in GBP)***5. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents consist of the following:

	<b>September 30, 2022</b>	December 31, 2021
	<b>£</b>	<b>£</b>
Cash held in banks	3,049,552	4,904,192
Guaranteed investment certificate	-	1,163,980
	<b>3,049,552</b>	<b>6,068,172</b>

**6. INVENTORIES**

	<b>September 30, 2022</b>	December 31, 2021
	<b>£</b>	<b>£</b>
Raw materials	<b>98,845</b>	221,091
Work in progress	<b>244,780</b>	231,317
Finished goods and goods for resale	<b>140,593</b>	136,309
	<b>484,218</b>	<b>588,717</b>

During the nine months ended September 30, 2022, the Company tested inventories for impairment and wrote down inventory to its net realizable value, which resulted in a total impairment of £36,219 including an increase in provision of £537 and stock write off £35,682. (September 30, 2021 – stock write off £47,288).

Inventory expensed to cost of sales during the nine months ended September 30, 2022 amounted to £698,657 (September 30, 2021 - £226,669).

**GOODBODY HEALTH LIMITED**

Notes to the Condensed Unaudited Interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2022 and 2021

(Expressed in GBP except where otherwise noted)

**7. PLANT AND EQUIPMENT**

	<b>Furniture and fittings</b>	<b>Computer Equipment</b>	<b>Leasehold improvements</b>	<b>Plant and equipment</b>	<b>Transportation equipment</b>	<b>Land</b>	<b>Buildings</b>	<b>Assets under construction</b>	<b>Total</b>
<b>Cost:</b>	£	£	£	£	£	£	£	£	£
<b>Balance, January 1, 2021</b>	24,606	102,132	217,530	2,589,895	20,811	4,062	568,758	97,920	3,625,714
Additions	920	33,132	-	25,822	52,032	-	2,377	127,881	242,164
Transfer from capital WIP	-	19,055	-	45,765	19,440	-	83,446	(167,706)	-
Transfers to assets held for sale	-	(840)	-	(5,286)	-	-	-	-	(6,126)
Disposals	(2,220)	(32,833)	(8,830)	(114,425)	-	-	(25,134)	(32,870)	(216,312)
Exchange diffs	-	(72)	(52)	(178,718)	(1,679)	(328)	(38,804)	(7,897)	(227,550)
<b>Balance December 31, 2021</b>	23,306	120,574	208,648	2,363,053	90,604	3,734	590,643	17,328	3,417,890
Additions	-	2,838	-	44,638	240	-	4,487	237,157	289,360
Transfers	-	(36,037)	-	-	-	-	-	-	(36,037)
Transfer from capital WIP	-	-	-	187,175	-	-	-	(244,924)	(57,749)
Disposals	(10,080)	(37,548)	(10,455)	(101,210)	(54,312)	-	-	(9,648)	(223,253)
Exchange diffs	69	(20)	-	47,553	1,617	22	3,520	87	52,848
<b>Balance, September 30, 2022</b>	13,295	49,807	198,193	2,541,209	38,149	3,756	598,650	-	3,443,059

**GOODBODY HEALTH LIMITED**

Notes to the Condensed Unaudited Interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2022 and 2021

(Expressed in GBP except where otherwise noted)

**7. PLANT AND EQUIPMENT (Continued)**

Accumulated depreciation:	Furniture and fittings	Computer Equipment	Leasehold improvements	Plant and equipment	Transportation equipment	Land	Buildings	Assets under construction	Total
	£	£	£	£	£	£	£	£	£
<b>Balance, January 1, 2021</b>	8,355	37,992	63,887	179,560	886	-	2,096	-	292,776
Disposals	(925)	(21,902)	(8,830)	(24,469)	-	-	-	-	(56,126)
Depreciation	6,789	39,613	55,235	446,965	18,665	-	15,844	-	583,111
Exchange diffs	-	(5)	(25)	(3,832)	(71)	-	(244)	-	(4,177)
<b>Balance, December 31, 2021</b>	14,219	55,698	110,267	598,224	19,480	-	17,696	-	815,584
Disposals	(8,190)	(20,249)	(10,455)	(55,996)	(20,371)	-	-	-	(115,261)
Transfers	-	(26,401)	-	-	-	-	-	-	(26,401)
Depreciation	3,334	12,590	41,923	164,077	12,701	-	12,253	-	246,878
Exchange diffs	68	37	-	41,590	(313)	-	280	-	41,662
<b>Balance, September 30, 2022</b>	9,431	21,675	141,735	747,895	11,497	-	30,229	-	962,462
<hr/>									
Net book value, December 31, 2021	9,087	64,876	98,381	1,764,829	71,124	3,734	572,947	17,328	2,602,306
<b>Net book value, September 30, 2022</b>	<b>3,864</b>	<b>28,132</b>	<b>56,458</b>	<b>1,793,314</b>	<b>26,652</b>	<b>3,756</b>	<b>568,421</b>	<b>-</b>	<b>2,480,597</b>

**GOODBODY HEALTH LIMITED**

Notes to the Condensed Unaudited Interim Consolidated Financial Statements  
For the Nine Months Ended September 30, 2022 and 2021  
(Expressed in GBP except where otherwise noted)

**7. PLANT AND EQUIPMENT (Continued)**

Geographical Location	Furniture and fittings	Computer Equipment	Leasehold improvements	Plant and equipment	Transportation equipment	Land	Buildings	Assets under construction	Total
	£	£	£	£	£	£	£	£	£
Poland	-	-	-	1,581,643	15,402	3,734	572,947	14,953	2,188,679
United Kingdom	9,087	64,876	98,381	183,186	55,722	-	-	2,375	413,627
<b>Balance, December 31, 2021</b>	<b>9,087</b>	<b>64,876</b>	<b>98,381</b>	<b>1,764,829</b>	<b>71,124</b>	<b>3,734</b>	<b>572,947</b>	<b>17,328</b>	<b>2,602,306</b>
Poland	-	-	-	1,507,623	7,546	3,756	563,933	-	2,082,858
United Kingdom	3,864	28,132	56,458	285,691	19,106	-	4,488	-	397,739
<b>Balance, September 30, 2022</b>	<b>3,864</b>	<b>28,132</b>	<b>56,458</b>	<b>1,793,314</b>	<b>26,652</b>	<b>3,756</b>	<b>568,421</b>	<b>-</b>	<b>2,480,597</b>

**GOODBODY HEALTH LIMITED**

Notes to the Condensed Unaudited Interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2022 and 2021

(Expressed in GBP except where otherwise noted)

**8. RIGHT OF USE ASSETS**

	<b>Transportation Equipment</b>	<b>Equipment</b>	<b>Building</b>	<b>Total</b>
<b>Cost:</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Balance, January 1, 2021	44,668	8,934	629,052	682,654
Additions	-	-	26,627	26,627
Disposals	-	(8,934)	(17,928)	(26,862)
Exchange diffs	(3,603)	-	-	(3,603)
<b>Balance December 31, 2021</b>	<b>41,065</b>	<b>-</b>	<b>637,751</b>	<b>678,816</b>
Additions	-	-	-	-
Disposals	(41,065)	-	(26,627)	(67,692)
Adjustment	-	-	(66,721)	(66,721)
<b>Balance, September 30, 2022</b>	<b>-</b>	<b>-</b>	<b>544,403</b>	<b>544,403</b>
<b>Accumulated depreciation:</b>				
Balance, January 1, 2021	6,636	6,022	161,873	174,531
Disposals	-	(6,022)	(20,475)	(26,497)
Depreciation	24,405	-	165,120	189,525
Exchange diffs	(535)	-	-	(535)
<b>Balance, December 31, 2021</b>	<b>30,506</b>	<b>-</b>	<b>306,518</b>	<b>337,024</b>
Disposals	(40,979)	-	(26,627)	(67,606)
Depreciation	10,473	-	121,960	132,433
<b>Balance, September 30, 2022</b>	<b>-</b>	<b>-</b>	<b>401,851</b>	<b>401,851</b>
<b>Net book value, December 31, 2021</b>	<b>10,559</b>	<b>-</b>	<b>331,233</b>	<b>341,792</b>
<b>Net book value, September 30, 2022</b>	<b>-</b>	<b>-</b>	<b>142,552</b>	<b>142,552</b>



**GOODBODY HEALTH LIMITED**

Notes to the Condensed Unaudited Interim Consolidated Financial Statements  
For the Nine Months Ended September 30, 2022 and 2021  
(Expressed in GBP except where otherwise noted)

**9. ASSETS HELD FOR SALE**

	<b>Total</b>
<b>Cost:</b>	£
Balance, January 1, 2021	243,797
Additions	6,126
Disposals	(4,753)
Impairment	(179,159)
Exchange diffs	(19,666)
Balance, December 31, 2021	46,345
Additions	746
Disposals	(45,494)
Exchange diffs	238
Balance, September 30, 2022	1,835

As at September 30, 2022 the Company had excess laboratory and indoor grow equipment that was held for sale. The Company valued the equipment at fair value less cost of disposal and is working with a number of possible equipment resellers to actively sell the equipment.

**GOODBODY HEALTH LIMITED**

Notes to the Condensed Unaudited Interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2022 and 2021

(Expressed in GBP except where otherwise noted)

**10. INTANGIBLE ASSETS AND GOODWILL**

	Customer Relationships	Brands	Licence	Computer Software	Intangible Assets	Goodwill	Total
<b>Cost:</b>	£	£	£	£	£	£	£
Balance, January 1, 2021	800,000	35,000	-	-	835,000	714,972	1,549,972
Additions	-	2,671	8,812	-	11,483	-	11,483
Balance, December 31, 2021	800,000	37,671	8,812	-	846,483	714,972	1,561,455
Additions	-	-	-	24,086	24,086	-	24,086
Transfers	-	-	-	36,037	36,037	-	36,037
Transfers from capital WIP	-	-	-	57,750	57,750	-	57,750
Exchange differences	-	406	-	(615)	(209)	-	(209)
Balance, September 30, 2022	800,000	38,077	8,812	117,258	964,147	714,972	1,679,119
<b>Accumulated amortisation:</b>							
Balance, January 1, 2021	66,667	3,208	-	-	69,875	-	69,875
Amortisation	266,667	3,522	-	-	270,189	-	270,189
Balance, December 31, 2021	333,334	6,730	-	-	340,064	-	340,064
Transfers	-	-	-	26,401	26,401	-	26,401
Amortisation	-	2,859	-	24,349	27,208	-	27,208
Exchange differences	-	-	-	(192)	(192)	-	(192)
Balance, September 30, 2022	333,334	9,589	-	50,558	393,481	-	393,481

**GOODBODY HEALTH LIMITED**

Notes to the Condensed Unaudited Interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2022 and 2021

(Expressed in GBP except where otherwise noted)

	<b>Customer Relationships</b>	<b>Brands</b>	<b>Licence</b>	<b>Computer Software</b>	<b>Intangible Assets</b>	<b>Goodwill</b>	<b>Total</b>
<b>Impairment:</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Balance, December 31, 2021	466,666	-	8,812	-	475,478	142,900	618,378
Impairment	-	-	-	-	-	-	-
Balance, September 30, 2022	466,666	-	8,812	-	475,478	142,900	618,378
<hr/>							
<b>Net book value, December 31, 2021</b>	<b>-</b>	<b>30,941</b>	<b>-</b>	<b>-</b>	<b>30,941</b>	<b>572,072</b>	<b>603,013</b>
<b>Net book value, September 30, 2022</b>	<b>-</b>	<b>28,488</b>	<b>-</b>	<b>66,700</b>	<b>95,188</b>	<b>572,072</b>	<b>667,260</b>

On each reporting date, the Company assesses whether there are events or changes in circumstances that would more likely than not reduce the fair value of any of its reporting units below their carrying values and, therefore, require the intangible assets and goodwill to be tested for impairment. During the nine months ended September 30, 2022, the Company recorded no impairment charge on intangible assets or goodwill (2021 - £618,378).

**GOODBODY HEALTH LIMITED**

Notes to the Condensed Unaudited Interim Consolidated Financial Statements  
For the Nine Months Ended September 30, 2022 and 2021  
(Expressed in GBP except where otherwise noted)

**11. LEASE OBLIGATIONS**

	September 30, 2022	December 31, 2021
Gross lease liabilities – minimum lease payments:	£	£
No later than 1 year	123,412	158,901
Later than 1 year and no later than 5 years	17,640	187,635
	141,052	346,536
Future interest charges on lease liabilities	(2,114)	(9,583)
Present value of lease liability	138,938	336,953
Current	121,344	152,111
Non-current	17,594	184,842

**12. SHARE CAPITAL**

- a. Authorized: unlimited common shares without par value  
unlimited preferred shares without par value
- b. Issued and Outstanding:

On January 12, 2022, post year end the Company changed its name to Goodbody Health Limited, trading on the CSE and AQSE in London under the new symbol “GDBY” and the OTCQB as “GDBYF”. The Company has since voluntarily delisted from the CSE on the 17<sup>th</sup> August 2022.

Share Consolidation and Redomicile

On August 18, 2022, the company undertook a share consolidation of 1 for 10 to reduce the outstanding shares, options and warrants. On August 19, 2022 the company migrated to Guernsey and new share certificates were issued to reflect both changes.

Share Placement

On April 9, 2021, the company announced the closure of the first tranche of the Company’s non-brokered private placement of units (“the Offering”) dated March 31, 2021. In this first tranche, the Company issued an aggregate of 45,888,730 Units at a price of C\$0.07875 per Unit, for aggregate gross proceeds of C\$3,613,737. In connection with this first tranche of the Offering, the Company issued and paid 2,531,098 finder’s units and 2,531,098 finder’s warrants. On May 21, 2021, the second tranche of the Company’s non-brokered private placement of units was closed dated May 20, 2021. In this second tranche, the Company issued an aggregate of 12,701,557 Units at a price of C\$0.07875 per Unit, for aggregate gross proceeds of C\$1,000,248. In connection with this final tranche of the Offering, the Company issued and paid 901,587 finder’s units and 901,587 finder’s warrants. Together with the first tranche closing of the Offering announced by the Company on April 9, 2021, the Company issued an aggregate 58,590,287 Units at a price of C\$0.07875 per Unit, for aggregate gross proceeds of C\$4,613,985. The proceeds were inclusive of cash transaction costs incurred of C\$49,164.

Each unit consists of one common share in the capital of the Company and one-half of one common share purchase warrant. Each warrant will entitle the holder to purchase one common share in the capital of

## GOODBODY HEALTH LIMITED

Notes to the Condensed Unaudited Interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2022 and 2021

(Expressed in GBP except where otherwise noted)

the Company at a price of C\$0.105 per one common share purchase warrant until May 20, 2023. Each Finder's Unit consists of one common share and one-half of one Finder's Warrant. Each whole Finder's Warrant entitles the holder thereof to purchase one additional common share at an exercise price of \$0.105 per Finder's Warrant Share, until May 20, 2023.

### 12. SHARE CAPITAL (Continued)

In connection with the Offering the Company used the Black-scholes valuation method to measure the various instruments issued based on the following inputs:

#### **For the first tranche of common shares and one-half warrants and related broker units**

Risk-free interest rate: 0.24%

Expected volatility: 98.12%

Exercise price: C\$0.105

Estimated life: 2.00 years

Expected dividend yield: C\$nil

#### **For the first tranche of broker warrants**

Risk-free interest rate: 0.24%

Expected volatility: 98.12%

Exercise price: C\$0.105

Estimated life: 2.00 years

Expected dividend yield: C\$nil

#### **For the second tranche of common shares and one-half warrants and related broker units**

Risk-free interest rate: 0.33%

Expected volatility: 97.69%

Exercise price: C\$0.105

Estimated life: 2.00 years

Expected dividend yield: C\$nil

#### **For the second tranche of broker warrants**

Risk-free interest rate: 0.33%

Expected volatility: 97.69%

Exercise price: C\$0.105

Estimated life: 2.00 years

Expected dividend yield: C\$nil

The expected volatilities of all of instruments above was determined based on an assessment of volatility measures from a peer group of companies public companies in the United Kingdom and North America.

**GOODBODY HEALTH LIMITED**

Notes to the Condensed Unaudited Interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2022 and 2021

(Expressed in GBP except where otherwise noted)

**12. SHARE CAPITAL (Continued)**

All securities issued in connection with the Offering were subject to a statutory hold period expiring on September 21, 2021

A summary of the Company's share activity since the reverse acquisition is as follows:

	Number of Shares	Price £
Balance December 31, 2020	302,592,941	0.06
Issued, March 31, 2021	48,419,828	0.03
Issued May 19, 2021	13,603,144	0.12
Cancelled, November 19, 2021	(1,329,111)	0.11
Exercised option, December 9, 2021	1,675,350	0.37
Balance December 31, 2021	364,962,152	0.04
Ten to one consolidation, August 18, 2022	36,496,276	0.40
Balance September 30, 2022	36,496,276	0.40

**Stock options:**

During the year ended July 31, 2018, the company's Board approved the adoption by the Company of a new fixed number share option plan (the "Fixed Option Plan"), subject to shareholder and regulatory approval. The Fixed Option Plan is designed to provide certain directors, officers and other key employees of the Company with incentive share options at the discretion of the Board. Options are to be granted at the discretion of the Board to Service Providers as defined in the Fixed Option Plan. Capitalised terms used but not defined have the meanings ascribed to them in the Fixed Option Plan.

**GOODBODY HEALTH LIMITED**

Notes to the Condensed Unaudited Interim Consolidated Financial Statements  
For the Nine Months Ended September 30, 2022 and 2021  
(Expressed in GBP except where otherwise noted)

**12. SHARE CAPITAL (Continued)**

A summary of the Company's stock option activity is as follows:

	Number of Options	Weighted Average Exercise Price £
Balance December 31, 2020	41,043,000	0.03
Forfeited, June 30 2021	(600,000)	0.11
Forfeited, July 07, 2021	(1,030,985)	0.01
Forfeited, July 07, 2021	(374,162)	0.04
Forfeited, July 07, 2021	(1,489,201)	0.07
Forfeited, July 07, 2021	(25,775)	0.19
Forfeited, September 30, 2021	(350,000)	0.37
Forfeited, October 01, 2021	(41,239)	0.07
Exercised, December 09, 2021	(1,675,350)	0.01
Exercised, December 20, 2021	1,447,173	0.04
Forfeited, December 22, 2021	(744,600)	0.07
Forfeited, December 22, 2021	(10,052,100)	0.01
Issued, December 22, 2021	10,052,100	0.04
Issued, December 22, 2021	744,600	0.04
Balance, December 31, 2021	36,903,461	0.04
Forfeited, June 24, 2022	(300,000)	0.72
Ten to one consolidation, August 18, 2022	3,660,350	0.31
Balance, September 30, 2022	3,660,350	0.31

The share based payment charge for Jan to September 2022 is £19,369 (2021: £70,625)

As of September 30, 2022, the following stock options were outstanding:

Number of Options Outstanding	Exercise Price £	Expiry Date	Vesting Criteria		Number of Common Shares Vested
1,548,052	0.1492	June 3, 2025	Immediate	Vested	1,548,052
418,838	0.1490	March 1, 2023	Immediate	Vested	418,838
33,508	0.2980	January 12, 2023	Immediate	Vested	33,508
74,833	0.4480	March 30, 2030	1/3, 1/3, 1/3 over 3 years		74,833
163,812	0.6720	March 30, 2030	1/3, 1/3, 1/3 over 3 years		109,208
22,338	0.6720	March 30, 2030	Immediate	Vested	22,338
30,930	1.9400	March 30, 2030	1/3, 1/3, 1/3 over 2 years		20,620
5,155	1.9400	March 30, 2030	Immediate	Vested	5,155
44,676	0.6864	June 17, 2025	1/3, 1/3, 1/3 over 3 years		29,784
93,820	0.7013	August 26, 2025	1/3, 1/3, 1/3 over 3 years		62,546
144,718	0.3980	December 20, 2026	Immediate	Vested	144,718
1,079,670	0.4177	December 26, 2026	Immediate	Vested	1,079,670
3,660,350					3,549,270

**GOODBODY HEALTH LIMITED**

Notes to the Condensed Unaudited Interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2022 and 2021

(Expressed in GBP except where otherwise noted)

**12. SHARE CAPITAL (Continued)**

The weighted average exercise price and weighted average life are C\$0.5061 and 3.25 years, respectively. As of September 30, 2022, 3,549,270 stock options are exercisable.

The fair value of the options issued during the year is calculated using the Black-Scholes Option Pricing Model using the following input assumptions:

Risk-free interest rate	1.2%
Estimated life	5 years
Expected volatility	110.36%
Forfeiture rate	0%

Expected Volatility was determined based on an assessment of volatility measures from a peer group of comparable public companies in the United Kingdom and North America.

Purchase warrants:

A summary of the Company's warrant activities is as follows:

	Warrants Outstanding	Weighted Average Exercise Price £
Balance, December 31, 2020	13,426,033	0.12
Issued, March 31, 2021	26,741,012	0.07
Issued, May 20, 2021	7,703,159	0.07
Issued, December 20, 2021	1,447,173	0.04
Balance, December 31, 2021	49,317,377	0.08
Ten to one consolidation, August 18, 2022	4,931,744	0.82
Balance, September 30, 2022	4,931,744	0.82

The fair value of the warrants issued during the years is calculated using the black sholes option pricing model using the following input assessment information:

Risk free rate:	0.95%
Estimated life:	2 years
Expected volatility:	97.13%
Expected dividend yield	0%

During the nine months ended September 30, 2022, the Company issued nil common shares for exercise of warrants for proceeds of £nil. (Year ended December 31, 2021: £nil)



**GOODBODY HEALTH LIMITED**

Notes to the Condensed Unaudited Interim Consolidated Financial Statements  
For the Nine Months Ended September 30, 2022 and 2021  
(Expressed in GBP except where otherwise noted)

**12. SHARE CAPITAL (Continued)**

As of September 30, 2022, the following warrants were outstanding and exercisable:

Number of Warrants Outstanding	Exercise Price £	Expiry Date	Number of Common Shares Issuable
309,750	0.643	January 12, 2023	309,750
1,032,857	1.418	December 18, 2022	1,032,857
2,674,102	0.675	March 31, 2023	2,674,102
770,317	0.675	May 20, 2023	770,317
144,718	0.398	December 20, 2024	144,718
4,931,744			4,931,744

The weighted average exercise price and weighted average life are £0.82 and 0.68 years, respectively.

**13. FINANCIAL INSTRUMENTS**

Financial instruments recorded at fair value are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
- Level 3 - Inputs for assets and liabilities that are not based on observable market data.

The fair value of cash, cash equivalents, trade receivables, accounts payable, accrued liabilities, and other current liabilities approximate fair value due to the short-term nature of the financial instruments. Discussions of risks associated with financial assets and liabilities are detailed below:

Credit risk

Credit risk is the measure of the credit worthiness of the borrowing and the possibility of resulting loss which arises from amounts owed by customers, sales tax, cash held with banks and financial institutions and receivables. The maximum exposure to credit risk is equal to the carrying value of these financial assets. Most income is received in advance and credit accounts are only offered to customers with a low risk profile. The Company's cash and cash equivalents are held with major UK and Polish banks. The board takes a low risk approach to cash equivalents and they are held in low risk investment accounts.

Currency and foreign exchange risk

Currency risk is the possibility of losing money due to unfavourable moves in exchange rates. A portion of the Company's financial assets and liabilities are denominated in other currencies, mainly Polish Zloty and Canadian Dollars. Cash is also generated in different currencies than required to meet costs including Euros. The Company monitors this exposure and plans the exchange of cash between currencies to utilise the best available rates in advance but has no hedge positions.

## GOODBODY HEALTH LIMITED

Notes to the Condensed Unaudited Interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2022 and 2021

(Expressed in GBP except where otherwise noted)

### 13. FINANCIAL INSTRUMENTS (Continued)

#### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its current obligations as they become due. The majority of the Company's accounts payable and accrued liabilities are payable in less than ninety days. The Company prepares monthly forecasts and monitors expenditures to manage short-term liquidity. Due to the nature of the Company's activities, funding for long-term investment needs is dependent on the Company's ability to obtain additional financing through various means, including equity financing.

The following is an analysis of the contractual maturities of the Company's financial liabilities as at September 30, 2022:

	Within 12 months £	After 12 months £
Accounts payable and accrued liabilities	920,684	-
Lease liability	121,344	17,594
Corporation tax	267,376	-
Other liabilities	437,728	-
<b>Total</b>	<b>1,747,132</b>	<b>17,594</b>

### 14. CAPITAL MANAGEMENT

The Company defines its capital as shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the growth of the business and finance future expansion while maintaining strong creditor relationships and shareholder return. The Board of Directors do not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements and there has been no change with respect to the capital management strategy during the three months to September 30, 2022.

**GOODBODY HEALTH LIMITED**

Notes to the Condensed Unaudited Interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2022 and 2021

(Expressed in GBP except where otherwise noted)

**15. RELATED PARTY TRANSACTIONS**

The Company has determined that its key management personnel consist of executive and non-executive directors of the Company and corporate officers.

The remuneration of directors and key management personnel for the nine months ended September 30, 2022 and 2021 was as follows:

	<b>Nine months ended</b>	
	<b>September 30, 2022</b>	<b>September 30, 2021</b>
Wages and salaries to Directors and key management	£ 502,080	436,672
Directors Fees	£ -	74,012
Share-based compensation	£ 10,732	28,807
	<b>£ 512,812</b>	<b>539,491</b>

Other related party transactions for the nine months ended September 30, 2022 and 2021 was as follows:

	<b>Nine months ended</b>	
	<b>September 30, 2022</b>	<b>September 30, 2021</b>
Recharged expenses	£ 3,110	7,961
Consultant fees – Carbon Managers Limited	£ 117,000	135,000
Hospitality Shoot – Dairy House Farm	£ -	12,915
Overseas living allowance and accommodation	£ 61,368	-
Rent – Carbon Managers Limited	£ 114,732	83,000
	<b>£ 296,210</b>	<b>238,876</b>

Carbon Managers Limited and Dairy House Farm Estate are owned by Jeremy Thomas a Director and Executive Chairman.