

Condensed Interim Consolidated Financial Statements
(Expressed in United States Dollars)

CENTR BRANDS CORP.

For the six months ended November 30, 2020
(Unaudited)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM 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 condensed interim 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 financial statements in accordance with standards established by CPA (Chartered Professional Accountants) Canada for a review of interim financial statements by an entity’s auditor.

CENTR BRANDS CORP.

Condensed Interim Consolidated Statements of Financial Position
(Unaudited – Expressed in United States Dollars, unless otherwise stated)

	November 30, 2020	May 31, 2020
Assets		
Current assets:		
Cash	\$ 1,491,610	\$ 513,774
Accounts receivable	260,714	151,492
Inventories (note 4)	165,655	266,003
Prepaid expenses and other assets	117,693	12,700
	<u>2,035,672</u>	<u>943,969</u>
Property and equipment (note 5)	11,221	14,102
Right-of-use assets (note 6)	16,169	27,677
	<u>\$ 2,063,062</u>	<u>\$ 985,748</u>

Liabilities and Shareholders' Equity

Current liabilities:		
Accounts payable and accrued liabilities (note 7)	\$ 368,052	\$ 210,491
Due to related parties (note 12)	191,478	188,819
Lease liability – current portion (note 6)	16,355	22,337
	<u>575,885</u>	<u>421,647</u>
Lease liability (note 6)	1,459	5,432
Loans payable (note 8)	183,422	181,638
	<u>760,766</u>	<u>608,717</u>
Shareholders' equity:		
Share capital (note 9)	6,181,166	4,862,661
Reserves (note 10)	1,558,950	439,471
Deficit	(6,437,820)	(4,925,101)
	<u>1,302,296</u>	<u>377,031</u>
	<u>\$ 2,063,062</u>	<u>\$ 985,748</u>

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

Approved on behalf of the Board:

“Joseph Meehan” Director

“Arjan Chima” Director

CENTR BRANDS CORP.

Consolidated Statements of Net Loss and Comprehensive Loss
(Unaudited – Expressed in United States Dollars, unless otherwise stated)

	Three months ended Nov. 30, 2020	Three months ended Nov. 30, 2019	Six months ended Nov. 30, 2020	Six months ended Nov. 30, 2019
Sales	\$ 417,064	\$ 121,204	\$ 626,655	\$ 135,665
Discounts	75,911	7,836	134,931	8,513
Net sales	341,153	113,368	491,724	127,152
Cost of sales	152,021	33,963	245,043	39,268
Gross profit	189,132	79,405	246,681	87,884
Expenses:				
General and administrative (note 11)	731,778	698,105	1,419,008	1,176,485
Share-based compensation (note 10)	127,766	3,892	191,596	7,784
Marketing and promotion	60,327	81,333	136,174	112,940
Loss from operations	730,739	703,925	1,500,097	1,209,325
Other expense (income)	(4,123)	1,573	12,622	2,781
Net loss and comprehensive loss	\$ 726,616	\$ 705,498	\$ 1,512,719	\$ 1,212,106
Net loss per share:				
Basic and diluted	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)

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

CENTR BRANDS CORP.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(Unaudited – Expressed in United States Dollars, unless otherwise stated)

For the six months ended November 30

	Notes	Share capital Common shares		Warrants	Reserves Share-based compensation		Deficit	Total
		Shares	Amount		Total			
Balance, May 31, 2020		63,223,601	\$ 4,862,661	\$ 11,683	\$ 427,788	\$ 439,471	\$ (4,925,101)	\$ 377,031
Shares issued in private placement	9	8,810,468	2,355,343	-	-	-	-	2,355,343
Shares issuance cost		-	(1,036,838)	927,883	-	927,883	-	(108,955)
Share-based compensation	10	-	-	-	191,596	191,596	-	191,596
Loss for the period		-	-	-	-	-	(1,512,719)	(1,512,719)
Balance, November 30, 2020		72,034,069	\$ 6,181,166	\$ 939,566	\$ 619,384	\$ 1,558,950	\$ (6,437,820)	\$ 1,302,296

	Notes	Share capital Common shares		Warrants	Reserves Share-based compensation		Deficit	Total
		Shares	Amount		Total			
Balance, May 31, 2019		59,671,200	\$ 3,539,888	\$ 39,820	\$ 338,972	\$ 378,792	\$ (2,312,885)	\$ 1,605,795
Warrants exercised		240,000	118,315	(28,137)	-	(28,137)	-	90,178
Share-based compensation		-	-	-	7,784	7,784	-	7,784
Loss for the period		-	-	-	-	-	(1,212,106)	(1,212,106)
Balance, November 30, 2019		59,911,200	\$ 3,658,203	\$ 11,683	\$ 346,756	\$ 358,439	\$ (3,524,991)	\$ 491,651

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

CENTR BRANDS CORP.

Condensed Interim Consolidated Statement of Cash Flows
(Unaudited – Expressed in United States Dollars, unless otherwise stated)

For the six months ended November 30

	2020	2019
Cash provided by (used in):		
Operating activities:		
Loss for the period	\$ (1,512,719)	\$ (1,212,106)
Adjustments for non-cash items:		
Depreciation	14,389	12,926
Share-based compensation	191,596	7,784
Changes in non-cash working capital:		
Accounts receivable	(109,222)	(91,160)
Inventory	100,348	(482,701)
Prepaid expenses and other assets	(104,993)	222,440
Accounts payable and accrued liabilities	157,561	135,917
Due to related parties	2,659	8,109
Interest paid	(679)	(1,385)
Net cash used in operating activities	(1,261,060)	(1,400,176)
Financing activities:		
Net proceeds from issuance of common shares	2,246,389	73,455
Payment of lease liability	(7,493)	(17,325)
Net cash provided by financing activities	2,238,896	56,130
Investing activities:		
Purchase of property and equipment	-	(10,210)
Net cash used in investing activities	-	(10,210)
Increase (decrease) in cash	977,836	(1,354,256)
Cash, beginning of period	513,774	1,461,568
Cash, end of period	\$ 1,491,610	\$ 107,312

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

CENTR BRANDS CORP.

Condensed Interim Consolidated Notes to Financial Statements
(Unaudited – Expressed in United States Dollars, unless otherwise stated)

For the six months ended November 30, 2020

1. Nature of the business and continuing operations:

CENTR Brands Corp. (formerly River Wild Exploration Inc. (“RWI”)) (the “Company” or “CENTR”) was incorporated under the laws of the Business Corporations Act (British Columbia). The Company’s shares are traded on the Canadian Securities Exchange (the “Exchange”) under the symbol “CNTR”.

The Company’s corporate office is located at 200-2318 Oak St, Vancouver, British Columbia, V6H 4J1. The Company is involved in the development and marketing of beverages infused with hemp-derived extracts and derivatives. The Company is focused on the sales and development of a global brand for the cannabidiol (CBD) infused beverage industry. The Company is currently marketing and selling a sparkling, low-calorie, CBD beverage product.

In March 2020, the World Health Organization characterized the outbreak of the novel strain of coronavirus, specifically identified as COVID-19, as a global pandemic. This has resulted in the governments enacting emergency measures to combat the spread of the virus. These measures, which include material disruption to business, resulting in a global economic slowdown. Equity markets have experienced significant volatility and weakness. There is significant uncertainty as to the likely effects this outbreak will have on the business, which may, among other things, negatively impact customers and their demand for the Company’s products. The outbreak may also have an effect on the future collectability of certain receivables. In response to COVID-19, the Company has implemented working practices to address potential impacts to its operations, employees and customers and will take further measures in the future, if required.

2. Basis of presentation:

(a) Statement of compliance:

These condensed interim consolidated financial statements for the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including International Accounting Standard (“IAS”) 34, “Interim Financial Reporting”. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended May 31, 2020, which have been prepared in accordance with IFRS as issued by the IASB.

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on January 26, 2021.

(b) Basis of measurement:

These condensed interim consolidated financial statements have been prepared on a historic cost basis except for financial instruments classified as fair value through profit or loss, which are stated at their fair value. Other measurement bases are described in the applicable notes.

Presentation of the condensed interim consolidated statements of financial position differentiates between current and non-current assets and liabilities. The condensed interim consolidated statements of net loss and comprehensive loss is presented using the functional classification of expense.

CENTR BRANDS CORP.

Condensed Interim Consolidated Notes to Financial Statements
(Unaudited – Expressed in United States Dollars, unless otherwise stated)

For the six months ended November 30, 2020

2. Basis of presentation (continued):

(b) Basis of measurement (continued):

These condensed interim consolidated financial statements follow the same accounting policies and methods of application as our most recent annual financial statements, except as described below, and should be read in conjunction with the annual audited financial statements of the Company for the year ended May 31, 2020.

(c) Functional and presentation currency:

Except as otherwise noted, these condensed interim consolidated financial statements are presented in U.S. dollars, which is the Company's functional and presentation currency. Monetary assets and liabilities denominated in foreign currencies are translated into U.S. dollars at the rates of exchange prevailing at the consolidated statement of financial position dates. Non-monetary assets and liabilities are translated at rates prevailing at the date of acquisition. Expenses are translated at the average rate of exchange in effect during the month the transaction occurred. See Note 3 for a discussion on the functional currency change.

3. Change in functional and presentation currency:

Effective June 1, 2019 (the "Effective Date"), the Company changed its functional and presentation currency from the Canadian dollar ("CAD") to the U.S. dollar. The functional currency of the Company was reassessed as the Company began to commercialize its CBD beverage products in the U.S. The U.S. dollar was determined to be the functional currency of the primary economic environment in which the Company operates, as the majority of the operational activities will be denominated in or influenced by the U.S. dollar.

The change in functional currency was accounted for on a prospective basis, with prior period comparative information translated to the U.S. dollar at the rate of the Effective Date, being 0.7395 U.S. dollars per Canadian dollar.

4. Inventories:

A breakdown of inventory is as follows:

	November 30, 2020	May 31, 2020
Raw materials	\$ 116,542	\$ 58,284
Finished Goods	49,113	207,719
	<u>\$ 165,655</u>	<u>\$ 266,003</u>

The cost of inventories recognized as an expense and included in cost of sales was \$195,946.

CENTR BRANDS CORP.

Condensed Interim Consolidated Notes to Financial Statements
(Unaudited – Expressed in United States Dollars, unless otherwise stated)

For the six months ended November 30, 2020

5. Property and equipment:

	Cost	Accumulated amortization	Nov. 30, 2020 Net book value	May 31, 2020 Net book value
Computer equipment	\$ 15,902	\$ 6,105	\$ 9,797	\$ 12,472
Furniture and fixtures	2,037	613	1,424	1,630
	\$ 17,939	\$ 6,718	\$ 11,221	\$ 14,102

6. Right-of-use assets and leases liabilities:

Right-of-use assets are initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. The Company's lease agreements range from one year to three years in length.

Right-of-use assets, May 31, 2020	\$ 27,677
Depreciation	(11,508)
Right-of-use assets, November 30, 2020	\$ 16,169

Lease liabilities have been measured by discounting future lease payments using a rate implicit in the lease or the Company's incremental borrowing rate. The Company's incremental borrowing rate applied on June 1, 2019 was 4.9%.

Lease liabilities, May 31, 2020	\$ 27,769
Interest expense	679
Payments	(10,634)
Lease liabilities, November 30, 2020	\$ 17,814
Less: current portion of lease liabilities	16,355
Long term portion of lease liabilities	\$ 1,459

CENTR BRANDS CORP.

Condensed Interim Consolidated Notes to Financial Statements
(Unaudited – Expressed in United States Dollars, unless otherwise stated)

For the six months ended November 30, 2020

7. Accounts payable and accrued liabilities:

Accounts payable and accrued liabilities are as follows:

	November 30, 2020	May 31, 2020
Accounts payable	\$ 187,054	\$ 55,992
Accrued liabilities	180,998	154,499
	<u>\$ 368,052</u>	<u>\$ 210,491</u>

8. Loans payable:

	November 30, 2020	May 31, 2020
Canada Emergency Business Account	\$ 30,839	\$ 29,055
U.S. Paycheck Protection Program	152,583	152,583
	<u>\$ 183,422</u>	<u>\$ 181,638</u>

In April 2020, the Company applied for Canada Emergency Business Account and received a loan of CAD \$40,000 which is interest free and is due in December 2022. Repaying the balance of the loan on or before December 31, 2022 will result in loan forgiveness of up to CAD \$10,000. There is an optional extension period from January 1, 2023 to December 31, 2025. If the extension is taken, then there is 5% interest for the extension period.

In April 2020, the Company applied for and received the U.S. Paycheck Protection Program and received a forgivable loan of \$152,583. The loan has a two-year term and an interest rate of 1% per annum. The loan is fully or partially forgiven by the U.S. Small Business Administration if certain employee retention criteria are met and the funds received are used for eligible expenses.

9. Share capital:

(a) Authorized:

The authorized share capital of the Company consists of unlimited number of common shares without par value.

CENTR BRANDS CORP.

Condensed Interim Consolidated Notes to Financial Statements
(Unaudited – Expressed in United States Dollars, unless otherwise stated)

For the six months ended November 30, 2020

9. Share capital (continued):

(b) Issued:

On November 30, 2020, there were 72,034,069 common shares (May 31, 2020 – 63,223,601) issued and fully paid.

(i) During the six months ended November 30, 2020, the Company issued 8,810,468 common shares in private placements for gross proceeds of \$2,355,343. Finders' fees totaling \$108,955 were paid in connection with the financing. 813,000 common shares were issued to executive officers of the Company.

(ii) During the six months ended November 30, 2019, the Company issued 240,000 common shares pursuant to the exercise of broker warrants for proceeds of \$90,178.

(c) Escrow securities:

Pursuant to an escrow agreement dated March 7, 2019, 26,000,000 common shares of the Company were deposited into escrow with respect to the Transaction (note 5). All of the Consideration Shares are subject to a thirty six-month time release escrow arrangement in accordance with the policies of the Canadian Securities Exchange (the "CSE"). Under the escrow agreement, 10% of the escrowed common shares were released from escrow on April 3, 2019, the listing date, and 15% are to be released every six months thereafter over a period of thirty-six months.

A summary of the status of the escrowed securities outstanding are as follows:

	Number of shares
Balance, May 31, 2020	15,600,000
Released	(3,900,000)
Balance, November 30, 2020	11,700,000

CENTR BRANDS CORP.

Condensed Interim Consolidated Notes to Financial Statements
(Unaudited – Expressed in United States Dollars, unless otherwise stated)

For the six months ended November 30, 2020

10. Reserves:

Reserves are comprised of share-based compensation and share purchase warrants:

(a) Share-based compensation – options:

The Company operates an equity-settleable, stock options-based payment compensation plan, under which the Company pays equity instruments of the Company as consideration in exchange for employee and similar services. The plan is open to employees, directors, officers and consultants of the Company and its affiliates.

The fair value of the grant of the options is recognized in the consolidated statements of net loss and comprehensive loss as an expense. The total amount to be expensed is determined by the fair value of the options granted. The total expense is recognized over the vesting period which is the period over which all of the service vesting conditions are satisfied. The vesting period is determined at the discretion of the Board and has ranged from immediate vesting to three years. The maximum number of common shares reserved for issuance, in the aggregate, under the Company's option plan (and under any other share compensation arrangements of the Company) is 10% of the aggregate number of common shares which are outstanding from time to time.

As at November 30, 2020, there were 200,000 outstanding options.

(b) Share-based compensation – restricted share units ("RSUs"):

The Company operates an equity-settle, RSUs-based payment compensation plan, under which the Company pays equity instruments of the Company as consideration in exchange for employee and similar services. The plan is open to employees, directors, officers and consultants of the Company and its affiliates.

The fair value of the grant of the RSUs is recognized in the consolidated statements of net loss and comprehensive loss as an expense. The total amount to be expensed is determined by the fair value of the RSUs granted. The total expense is recognized over the vesting period which is the period over which all of the service vesting conditions are satisfied. The maximum number of common shares reserved for issuance, in the aggregate, under the Company's RSU plan (and under any other share compensation arrangements of the Company) is 10% of the aggregate number of common shares which are outstanding from time to time. As at November 30, 2020, this represented 7,203,407 common shares.

CENTR BRANDS CORP.

Condensed Interim Consolidated Notes to Financial Statements
(Unaudited – Expressed in United States Dollars, unless otherwise stated)

For the six months ended November 30, 2020

10. Reserves (continued):

(b) Share-based compensation – restricted share units (“RSUs”) (continued):

	Number of RSUs	Expiry date
Outstanding, May 31, 2020	5,305,000	February to March 2025
Granted	695,000	September 2025
Outstanding, November 30, 2020	6,000,000	

During the six months ended November 30, 2020, the Company granted 240,000 RSUs to executive and non-executive directors and 455,000 RSUs to employees.

The RSUs have an expiry date of five years from the date of issue. As at November 30, 2020, the weighted average remaining life of the RSUs outstanding is 4.3 years.

During the six months ended November 30, 2020, the Company recorded share-based compensation expense of \$191,596. The total compensation cost not yet recognized related to RSUs granted is approximately \$535,481 and will be recognized over the remaining average vesting period of 1.8 years.

(c) Share purchase warrants:

A summary of the share purchase warrants issued and outstanding is as follows:

	Number of warrants	Weighted average exercise price (CAD)	Expiry date
Outstanding, May 31, 2019	665,600	\$ 0.82	
Exercised	(240,000)	0.50	
Expired	(425,600)	1.00	
Outstanding, May 31, 2020	-	-	
Issued	9,216,989	0.60	September 8, 2021 to November 30, 2023
Outstanding, November 30, 2020	9,216,989	\$ 0.60	

As at November 30, 2020, the weighted average remaining life of the share purchase warrants outstanding is 2.84 years.

CENTR BRANDS CORP.

Condensed Interim Consolidated Notes to Financial Statements
(Unaudited – Expressed in United States Dollars, unless otherwise stated)

For the six months ended November 30, 2020

11. General & administrative:

	Three months ended Nov. 30, 2020	Three months ended Nov. 30, 2019	Six months ended Nov. 30, 2020	Six months ended Nov. 30, 2019
Accounting and legal	\$ 130,845	\$ 58,035	\$ 219,048	\$ 86,271
Consulting	18,519	197,968	59,312	365,689
Depreciation	7,091	6,679	14,388	12,926
Office and administrative	30,190	6,825	43,132	25,147
Salaries and benefits	417,082	313,207	849,895	519,802
Travel and other expenses	128,051	115,391	233,233	166,650
	\$ 731,778	\$ 698,105	\$ 1,419,008	\$ 1,176,485

12. Related party transactions and balances:

(a) Compensation of key management personnel:

The Company transacts with key individuals from management who have authority and responsibility to plan, direct, and control the activities of the Company. Key management personnel are defined as the executive officers of the Company and the Board, including the Chief Executive Officer, President and Chief Financial Officer.

	Six months ended Nov. 30, 2020	Six months ended Nov. 30, 2019
Salaries and benefits	\$ 172,609	\$ 171,371
Share-based payments	132,075	1,087
Consulting fees	45,085	39,795
	\$ 349,769	\$ 212,253

(b) Transactions with controlling shareholders:

The Company incurred the following transactions with companies having a former director, directors, and officers in common:

	Six months ended Nov. 30, 2020	Six months ended Nov. 30, 2019
Consulting fees paid to companies controlled by a director and a former director of the Company	\$ 45,069	\$ 302,419
Other fees paid to companies controlled by a former director of the Company	14,587	44,108
	\$ 59,656	\$ 346,527

CENTR BRANDS CORP.

Condensed Interim Consolidated Notes to Financial Statements
(Unaudited – Expressed in United States Dollars, unless otherwise stated)

For the six months ended November 30, 2020

12. Related party transactions and balances (continued):

(b) Transactions with controlling shareholders (continued):

As at November 30, 2020, \$191,478 (May 31, 2020 - \$188,819) was included in due to related parties for creative services and other overhead costs and in the ordinary course of business. These amounts bear no interest and are due on demand.

13. Capital management:

The Company's objective is to maintain a capital structure that supports its long-term growth strategy, maintains creditor and customer confidence, and maximizes shareholder value. There were no changes in the Company's approach to capital management during the six months ended November 30, 2020. The capital structure of the Company consists of its shareholders' equity.

The Company's primary uses of capital are to finance operations, finance new start-up costs, increase non-cash working capital and capital expenditures. The Company's objectives when managing capital are to ensure the Company will continue to have enough liquidity to expand. The Company, as part of its annual budgeting process, evaluates its estimated annual cash requirements to fund planned expansion activities and working capital requirements of existing operations. Based on this cash budget and taking into account its anticipated cash flows from operations and its holdings of cash, the Company is of the view that it has the sufficient capital or the ability to draw the required funds from shareholder commitments.

14. Financial instruments and fair value measurement:

Financial instruments recorded at fair value are classified using a fair value hierarchy that reflects the significance of the inputs to fair value measurements.

The following tables show the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy and accounting classification.

November 30, 2020	Classification	Fair value level	Carrying value	Fair value
Financial assets not measured at fair value				
Cash	Amortized cost	2	\$ 1,491,610	\$1,491,610
Accounts receivable	Amortized cost	2	260,714	260,714
Financial liabilities not measured at fair value				
Accounts payable and accrued liabilities	Amortized cost	2	368,052	368,052
Due to related parties	Amortized cost	2	191,478	191,478
Loans payable	Amortized cost	2	183,422	183,422

CENTR BRANDS CORP.

Condensed Interim Consolidated Notes to Financial Statements
(Unaudited – Expressed in United States Dollars, unless otherwise stated)

For the six months ended November 30, 2020

15. Risk management:

In the normal course of business, the Company is exposed to risks related to financial instruments that can affect its operating performance. These risks, and the actions taken to manage them, are as follows:

(a) Credit risk:

Credit risk arises from the potential that a counterparty will fail to perform its obligations. The Company does not have financial instruments that result in material exposure.

(b) Liquidity risk:

Liquidity risk is the risk that the Company may encounter difficulty in raising funds to meet its financial commitments or can only do so at excessive cost. The Company ensures there is sufficient liquidity to meet its short-term business requirements, taking into account its anticipated cash flows from operations, its holdings of cash and its ability to draw on committed funds from its existing shareholders or to raise funds from external shareholders.

(c) Currency risk:

Currency risk is the risk to the Company's earnings that arises from fluctuations in foreign exchange rates and the degree of volatility of those rates. The Company believes it is exposed to significant currency risk, as to date the Company has raised money both only in Canada and in Canadian dollars to fund operations and development, along with a significant proportion of the Company's general and administrative expenses incurred in Canadian dollars.

(d) Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have financial instruments that result in material exposure.

16. Subsequent event:

Subsequent to November 30, 2020, the Company issued 297,045 common shares to executive officers of the Company to settle amounts owed.