KITS EYECARE LTD.
Condensed Interim Consolidated Financial Statements
For the Three Months ended March 31, 2022 and March 31, 2021
(in thousands of Canadian Dollars, except share and per share data)
(Unaudited)

KITS EYECARE LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS
(in thousands of Canadian Dollars, except share and per share data)
(Unaudited)

	Three months ended March 31,	
	2022	**2021**
Revenue (Note 3)	$ 20,052	$ 20,432
Cost of sales	13,939	15,528
Gross profit	$ 6,113	$ 4,904
Fulfillment	$ 2,770	$ 2,799
Marketing	2,694	4,439
General and administrative	2,668	2,576
Depreciation and amortization	555	508
Operating (loss)	(2,574)	(5,418)
Finance costs - net	$ 404	$ 736
(Loss) before income taxes	(2,978)	(6,154)
Income taxes (Note 12)	(714)	(2,586)
Net (loss) for the period	$ (2,264)	$ (3,568)
(Loss) per share (Note 13)		
Basic	$ (0.07)	$ (0.13)
Diluted	$ (0.07)	$ (0.13)

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

KITS EYECARE LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(in thousands of Canadian Dollars, except share and per share data)
(Unaudited)

	Three months ended March 31,	
	2022	**2021**
Net (loss) for the period	$ (2,264)	$ (3,568)
Other comprehensive income for the period:		
Items that may be reclassified to profit or loss		
Currency translation differences	(474)	(530)
Total comprehensive (loss) for the period	$ (2,738)	$ (4,098)

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

KITS EYECARE LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(in thousands of Canadian Dollars, except share and per share data)
(Unaudited)

	March 31, 2022	December 31, 2021
Assets		
Current assets		
Cash and cash equivalents	$ 18,330	$ 20,505
Accounts and other receivables	370	440
Inventory (Note 6)	14,299	13,485
Tax receivable	421	421
Prepaids, deposits and other assets	698	860
Total current assets	34,118	35,711
Property and equipment (Note 7)	3,161	3,423
Right-of-use asset (Note 8)	7,211	7,511
Deferred tax asset (Note 12)	4,222	3,552
Intangible assets (Note 14)	3,999	4,456
Goodwill (Note 14)	35,770	36,291
Total assets	$ 88,481	$ 90,944
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued liabilities	$ 11,681	$ 10,298
Tax payable	389	395
Deferred revenue (Note 3)	1,991	2,526
Loan (Note 4(a))	3,045	3,051
Lease liability (Note 8)	567	552
Total current liabilities	17,673	16,822
Loan (Note 4(a))	10,533	11,291
Promissory note (Note 4(b))	1,778	1,744
Lease liability (Note 8)	6,144	6,302
Total liabilities	36,128	36,159
Shareholders' equity		
Share capital (Note 9)	76,817	76,592
Contributed surplus (Note 10)	2,018	1,937
Retained deficit	(23,411)	(21,147)
Accumulated other comprehensive loss	(3,071)	(2,597)
Total shareholders' equity	52,353	54,785
Total liabilities and shareholders' equity	$ 88,481	$ 90,944

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

Contingencies – Note 15

KITS EYECARE LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(in thousands of Canadian Dollars, except share and per share data)
(Unaudited)

	Share Capital							
	Common shares		Class B preferred shares		Contributed surplus	Retained (deficit)	Accumulated other comprehensive (loss)	Total
	Shares	Amount	Shares	Amount				
Balance at December 31, 2020	9,200,000	$ 3,824	7,000	$ 3,500	$ 941	$ (6,530)	$ (2,308)	$ (573)
Conversion of Class A, B and C preferred shares into common shares (Note 9)	15,314,709	19,875	(7,000)	(3,500)	-	-	-	16,375
Shares issued in connection with initial public offering (Note 9)	6,485,294	55,125	-	-	-	-	-	55,125
Shares issuance costs (Note 9)	-	(4,252)	-	-	-	-	-	(4,252)
Share-based payments	-	-	-	-	339	-	-	339
Net loss and comprehensive income	-	-	-	-	-	(3,568)	(530)	(4,098)
Balance as at March 31, 2021	31,000,003	$ 74,572	-	$ -	$ 1,280	$ (10,098)	$ (2,838)	$ 62,916
Balance at December 31, 2021	31,156,380	$ 76,592	-	$ -	$ 1,937	$ (21,147)	$ (2,597)	$ 54,785
Share-based payments (Note 10)	-	-	-	-	306	-	-	306
RSR excerise (Note 9)	85,336	225	-	-	(225)	-	-	-
Net loss and comprehensive loss	-	-	-	-	-	(2,264)	(474)	(2,738)
Balance as at March 31, 2022	31,241,716	$ 76,817	-	$ -	$ 2,018	$ (23,411)	$ (3,071)	$ 52,353

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

KITS EYECARE LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands of Canadian Dollars, except share and per share data)
(Unaudited)

	Three months ended March 31,	
	2022	**2021**
Operating activities		
Net loss	$ (2,264)	$ (3,568)
Items not affecting cash:		
Share-based payments (Note 10)	306	339
Depreciation of property and equipment and right-of-use assets (Note 7, 8)	439	96
Amortization of intangible assets (Note 14)	412	412
Finance costs	411	731
Income taxes	(714)	(2,586)
Unrealized foreign exchange (gain)/loss	98	(1)
Changes in non-cash operating working capital:		
Accounts receivable	70	(151)
Inventory	(814)	(3,681)
Prepaid expenses and other assets	162	(2,133)
Accounts payable and accrued liabilities	1,383	(2,577)
Deferred revenue	(535)	101
Cash used in by operating activities	**(1,046)**	**(13,018)**
Financing activities		
Repayment of lease obligation	(264)	(151)
Repayment of loan (Note 4(a))	(1,000)	(5,702)
Proceeds from issuance of share capital (Note 9)	-	51,047
Cash provided by / (used in) financing activities	**(1,264)**	**45,194**
Investing activities		
Purchase of property and equipment	(34)	(85)
Cash used in investing activities	**(34)**	**(85)**
Increase / (decrease) in cash and cash equivalents	**(2,344)**	**32,091**
Foreign exchange effect on cash and cash equivalents	169	(11)
Cash and cash equivalents, beginning of period	20,505	2,308
Cash and cash equivalents, end of period	**$ 18,330**	**$ 34,388**

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

1. Nature of operations

Kits Eyecare Ltd. (the "Company" or ”KITS”) is vertically integrated, digitally native eyecare platform, with sales primarily in the United States and Canada. The Company was incorporated under the Business Corporations Act (British Columbia) on October 19, 2018 with its registered headquarters located at 1020 - 510 Seymour Street, Vancouver, BC, V6B 3J5.

The Company is listed on the Toronto Stock Exchange (the “TSX”) under the symbol “KITS”.

2. Basis of preparation and statement of compliance

The Company prepares its annual consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). These condensed interim consolidated financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting (IAS 34).

These condensed interim consolidated financial statements should be read in conjunction with the Company’s most recent annual financial statements for the year ended December 31, 2021 as some disclosures from the annual consolidated financial statements have been condensed or omitted. There are no IFRS or International Financial Reporting Interpretations Committee interpretations that are not yet effective that would be expected to have a material impact on the Company’s condensed interim consolidated financial statements.

The Company had included Other Expenses within General and Administrative expense from July 1, 2021 onwards and updated its comparatives (three months ended March 31, 2021 Other Expenses was $21). These Other Expenses pertained to estimated sales taxes payable and estimated bonus fee payable to BDC and were previously separately disclosed. The Company is making this change in classification in order to align and better reflect these expenses within the operating results of the Company. There is no change to consolidated net loss or cash flows as a result of this change in classification.

On May 10, 2022, the Board of Directors authorized these condensed interim consolidated financial statements for issuance.

Critical accounting estimates and judgements

In preparing these condensed interim consolidated financial statements management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant estimates and judgements made by management in applying the Company’s accounting policies and the key sources of estimation uncertainty were the same as those described in the most recent annual consolidated financial statements.

3. Segment information and deferred revenue

The Company operates in a single reportable operating segment, being the sale of eyewear products to consumers.

Geographic information

The Company determines the geographic location of revenue based on the location of its customers.

	Three months ended March 31,	
	2022	2021
United States	$ 14,135	$ 15,516
Canada and other	5,917	4,916
Total	$ 20,052	$ 20,432

All of the Company's non-current assets are located in Canada.

Deferred revenue

Deferred revenue consists of credit vouchers of $574 (December 31, 2021: $522), unfulfilled orders of $1,219 (December 31, 2021: $1,802) and allowance for estimated returns of $197 (December 31, 2021: $202). Credit vouchers relate to vouchers that have been issued or sold to customers. Revenue from credit vouchers is recognized when the vouchers are redeemed, when the likelihood of redemption becomes remote, or when the vouchers expire.

Revenue by product

	Three months ended March 31,	
	2022	2021
Contact Lenses	$ 17,498	$ 18,865
Glasses	2,554	1,567
Total	$ 20,052	$ 20,432

4. Financial liabilities

(a) Loan

The Company entered into a secured loan agreement for $23.4 million with BDC Capital Inc. ("BDC") on March 26, 2019, with a repayment date of March 15, 2026. Effective of January 15, 2021, the loan bears interest at BDC floating rate minus 1%, plus a variance of 4.45% per annum and is payable on a monthly basis. As at March 31, 2022, BDC floating rate was 4.80% (2021: 4.55%). The BDC Loan is secured by a first ranking security interest in all present and after acquired personal property and all present and future intellectual property of the Company. The Company is subject to various covenants under the BDC Loan, including requirements to maintain certain financial ratios. As at March 31, 2022, the loan is in good standing and the Company is in compliance with the debt covenants.

As at March 31, 2022, the carrying amount of the loan is $13,578 (2021: $14,342). For the three months ended March 31, 2022, the Company made repayments of $1,000 (2021: $5,702) and recognized $236 (2021: $308) of interest expense in finance costs. Interest expense is calculated by applying the effective interest rate of 7.16% (2021: 6.95%).

During the three months ended March 31, 2021, the Company made a prepayment of $4,500 towards the BDC loan principal. The repayment schedule of the loan was revised accordingly to reflect this prepayment and the balloon payment was reduced by the prepayment amount and the Company recognized a modification loss of $590 due to the change in repayment schedule of the loan and $135 of prepayment penalties in finance costs for the three months ended March 31, 2021.

(b) Promissory note

On January 18, 2021, the Company issued 15,314,709 common shares in connection with the conversion of all the Company's Class A, B and C preferred shares and a promissory note of $2,412 which are the accrued dividends payable to the holders of the preferred shares. The note bears no interest and matures on the earlier of January 31, 2026 or the date after the Company's current loan from BDC Capital has been repaid in full (the "Maturity Date"). Unpaid principal shall be payable in quarterly installments beginning on March 31, 2021 of $121, subject to the consent of BDC Capital. Any unpaid principal shall be payable in full upon the Maturity Date.

The fair value of the promissory note at initial recognition is $1,621 and the Company recognized a gain on extinguishment of $350 from its preferred share liabilities in finance costs for the three months ended March 31, 2021.

As at March 31, 2022, the carrying value of the promissory note is $1,778 (2021: $1,744). During the three months ended March 31, 2022, no quarterly principal was paid to the promissory holders and the Company recorded accretion expense of $34 (2021: $25) in finance costs. Accretion expense is calculated by applying the effective interest rate of 8.00%.

5. Financial instruments and fair values

The Company characterizes fair value measurements using a hierarchy that prioritizes inputs depending on the degree to which they are observable. The three levels of the fair value hierarchy are as follows:

- Level 1: fair value measurements are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: fair value measurements are those derived from valuation techniques that include significant inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying value of cash and cash equivalents, account receivables, and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these financial instruments. These financial instruments are classified as financial assets and liabilities at amortized cost.

There are no financial liabilities that are measured at fair value. The following table shows the carrying amount and the fair values of financial liabilities, including their levels in the fair value hierarchy.

	March 31, 2022			December 31, 2021		
	Carrying value	Level 2	Level 3	Carrying value	Level 2	Level 3
Financial liabilities						
Loan	13,578	13,222	-	14,342	13,958	-
Promissory note	1,778	1,757	-	1,744	1,722	-
Total	$ 15,356	$ 14,979	$ -	$ 16,086	$ 15,680	$ -

During the three months ended March 31, 2022, there have been no transfers of amounts between Level 1, Level 2, and Level 3 of the fair value hierarchy.

The classification of the financial instruments as well as their carrying values as at March 31, 2022 and December 31, 2021 is shown in the table below.

	March 31, 2022				December 31, 2021			
	Amortized cost (Financial asset)	Amortized cost (Financial liabilities)	FVTPL	Total	Amortized cost (Financial asset)	Amortized cost (Financial liabilities)	FVTPL	Total
Financial assets								
Cash and cash equivalents	$ 18,330	$ -	$ -	$ 18,330	$ 20,505	$ -	$ -	$ 20,505
Accounts and other receivables	370	-	-	370	440	-	-	440
Total financial assets	$ 18,700	$ -	$ -	$ 18,700	$ 20,945	$ -	$ -	$ 20,945
Financial liabilities								
Account payable and accrued liabilities	$ -	$ 11,682	$ -	$ 11,682	$ -	$ 10,298	$ -	$ 10,298
Loan	-	13,578	-	13,578	-	14,342	-	14,342
Promissory note	-	1,778	-	1,778	-	1,744	-	1,744
Total financial liabilities	$ -	$ 27,038	$ -	$ 27,038	$ -	$ 26,384	$ -	$ 26,384

Valuation techniques and significant unobservable inputs

To determine the fair value of financial liabilities at initial recognition, the Company considered the present value of expected payments, discounted using a risk-adjusted discount rate. As at March 31, 2022, none of the Company's financial liabilities are subsequently measured at fair value after initial recognition.

Capital management

The Company manages its capital, which consists of equity and long-term debt with the objectives of safeguarding sufficient net working capital over the annual operating cycle and providing sufficient financial resources to grow operations to meet long-term consumer demand. The Company prepares and updates its annual operational results based on the Company's short and long term objectives and monitors actual operating results compared to the forecast to ensure that there is sufficient capital on hand to grow its operations. The Board of Directors of the Company monitors the Company's capital management on a regular basis. The Company will continually assess the adequacy of the Company's capital structure and capacity and make adjustments within the context of the Company's strategy, economic conditions, and risk characteristics of the business.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise interest rate risk and foreign currency risk.

Interest rate risk

The Company is exposed to changes in interest rates on our cash and cash equivalents and loans. The Company's debt has a variable interest rate based on BDC's floating base rate plus a margin. As a result, the Company is exposed to interest rate risk due to fluctuations in the BDC's floating base rate. The principal amount outstanding under the loan was $12,150 as at March 31, 2022 (December 31, 2021: $12,900) which currently bears interest at 8.25% (December 31, 2021: 8.00%). For the three months ended March 31, 2022, a 1.00% increase in the floating interest rate would have increased interest paid by $31 (December 31, 2021: $118) and finance costs by $37 (December 31, 2021: $126).

Currency risk

The Company's and its subsidiary's functional currencies are the Canadian Dollar ("CAD") and the United States Dollar ("USD") respectively. The Company is exposed to fluctuations in the USD and the CAD relative to these functional currencies. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time. The Company is exposed to the following currency risk as at March 31, 2022:

	March 31, 2022		December 31, 2021	
	USD	CAD	USD	CAD
Cash and cash equivalents	$ 1	$ 1,686	$ 1	$ 2,171
Accounts and other receivables	-	309	-	184
Accounts payable and accrued liabilities	-	(5,058)	-	(4,587)
Total	$ 1	$ (3,063)	$ 1	$ (2,232)

A 10% strengthening in the Canadian dollar against the U.S. dollar on net monetary accounts would, with all other variables being constant, have an approximately unfavorable impact of $278 (December 31, 2021: $203) on net loss.

Credit risk

Credit risk refers to the possibility that the Company can suffer financial losses due to the failure of the Company's counterparties to meet their payment obligations. The Company is exposed to minimal credit risk. The Company does not extend credit to customers, but do have some receivables exposure with respect to payment processors transferring customer funds to the Company and to rebates receivable from the Company's vendors. The majority of accounts receivables are settled in under 30 days. In order to reduce this risk, the Company uses industry leading payment processors, including Chase Paymentech, American Express, and PayPal. The Company deposits its cash and cash equivalents with major financial institutions that have been assigned high credit ratings by internationally recognized credit rating agencies. As such, exposure to customer credit risk is nominal.

Liquidity risk

Liquidity risk is the risk that we cannot meet a demand for cash or fund our obligations as they come due. The Company manage liquidity risk by continuously monitoring actual and projected cash flows, taking into account the seasonality of the Company's revenue, income and working capital needs. The following table summarizes the amount of contractual undiscounted future cash flow requirements as March 31, 2022.

Contractual obligations	Carrying amount	Contractual cash flows	Less than 1 year	1-3 years	4-5 years	After 5 years
Accounts payable and accrued liabilities	$ 11,681	$ 11,681	$ 11,681	$ -	$ -	$ -
Loan - Principal amount	13,578	13,636	3,000	6,000	4,636	-
Loan - Interest	-	2,075	890	1,037	148	-
Promissory note	1,778	2,412	-	-	2,412	-
	$ 27,037	$ 29,804	$ 15,571	$ 7,037	$ 7,196	$ -

6. Inventory

As at March 31, 2022, inventory comprised of $6,162 (2021: $5,267) of contact lenses, $6,855 (2021: $5,929) of frames, prescription lenses of $619 (2021: $689) and other miscellaneous inventory of $663 (2021: $1,600).

7. Property and equipment

During the three months ended March 31, 2022, the Company had property and equipment additions of $34 (2021: $85), recognized depreciation expense of $250 (2021: $31) and recorded $46 exchange differences.

8. Leases

During the three months ended March 31, 2022, the Company had $23 (2021: $426) of lease liability additions, paid $264 (2021: $151) of lease payments, recognized $142 (2021: $24) of accretion expense, and $100 (2021: ($2)) of foreign exchange loss.

During the three months ended March 31, 2022, the Company had $23 (2021: $426) of right-of-use asset additions, recognized depreciation expense of $189 (2021: $65) and incurred $134 (2021: $19) of exchange differences.

9. Share capital

On January 18, 2021, the Company issued 15,314,709 common shares in connection with the conversion of all the Company's Class A, B and C preferred shares (Note 4(b)). As of March 31, 2021, there are no longer any preferred shares outstanding.

On January 19, 2021, the Company completed its oversubscribed and upsized initial public offering (the "IPO") and listing on the Toronto Stock Exchange ("TSX"). The IPO consisted of the issuance of 6,470,588 common shares of the Company (the "Shares") at a price of $8.50 per Share (the "Offering Price") for gross proceeds of $55,000. In connection with the completion of the IPO, the Company issued 14,706 common shares and paid $125 in cash to listing agents. In addition, the agents exercised 50% of their overallotment option in a transaction that closed on February 5, 2021. During the three months ended March 31, 2022, the Company recorded $nil of share issuance costs (2021: $4,252).

During the three months ended March 31, 2022, 85,336 vested RSRs were delivered to its officers and directors.

10. Share-based compensation

During the three months ended March 31, 2022, the Company granted 18,520 restricted shares rights ("RSRs") to its directors which vest immediately upon grant. The RSRs have a weighted fair value of $2.70 which is the Company's average share price for the period the services were provided. As at March 31, 2022, the Company has a total 34,204 of outstanding RSRs, comprising of 15,684 of non-vested RSRs.

During the three months ended March 31, 2022, the Board of Directors approved an option grant by the Company of 492,500 options and expire seven years after initial grant date, subject to a vesting schedule and the terms of the Company's option plan. These options have a weighted average exercise price of $2.60, a term of 7 years and vest over 3 years. The weighted average fair value of the options issued was estimated at $1.60 per share option at the grant date using the Black- Scholes option pricing model. The option valuations were based on an expected option life of 7 years, a risk-free interest rate of 1.73% or 1.79%, a dividend yield of 0% and an expected volatility of 100%.

During the three months ended March 31, 2022, 12,566 stock options were forfeited at a weighted average exercise price of $6.47. As at March 31, 2022, the Company has a total of 2,879,758 of stock options outstanding with a weighted average exercise price of $3.17, comprising of 2,057,045 of exercisable stock options with a weighted average exercise price of $2.74.

Share-based compensation expense related to stock options and RSRs of $64 and $242 (2021: $151 and $188) was recorded for the three months ended March 31, 2022, respectively.

11. Related party transactions

During the three months ended March 31, 2022, the Company paid rent of $19 (2021: $19) to a company under common control of a significant shareholder of the Company and recorded rent of $30 (2021: $30) to a company under common control of another significant shareholder of the Company, of which $11 is unpaid as at March 31, 2022. These amounts have been included in other general and administrative expense and are part of the Company's ordinary course of business. The contract terms are based on market rates for these types of services and amounts are payable on a monthly basis for the duration of the contract.

During the three months ended March 31, 2022, the Company recorded $20 (2021: $24) of Board fees to its directors (the "Directors") and $50 (2021: $50) of share-based compensation. $42 of Board fees remain unpaid as at March 31, 2022.

Key management compensation
Key management consists of the Board of Directors, the Chief Executive Officer, and the executives who report directly to the Chief Executive Officer. Key management compensation comprises of wages and short-term employee benefits. For the three months ended March 31, 2022, the Company paid $400 (2021: $262) of wages and short-term employee benefits to key management and recorded $188 (2021: $266) of key management share-based compensation.

12. Income taxes

The Company calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of income/(loss) for the three months ended March 31, 2022 comprises of current income tax expense of $nil (2021: $34) and deferred income tax recovery of $714 (2021: $(2,620)).

As at March 31, 2022, deferred tax assets consist of available non-capital losses and other tax deductions of $6,000 (2021: $5,561), net of deferred tax liability arising from property and equipment, right of use assets and net of lease liability of $929 (2021: $1,037) and intangible assets of $849 (2021: $972). The Company has non-capital losses of approximately $17,993 (2021: $16,063) that can be applied against future years' taxable income for Canadian income tax purposes. The Company has recognized these losses as a deferred income tax asset as it expects to utilize these losses against future taxable income.

13. Loss per share

Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share is 31,241,716 (2021: 27,090,885).

Common share equivalents that could potentially dilute net income per basic share in the future, but were not included in the computation of diluted earnings per share because the impact would have been anti-dilutive comprised of all issued stock options of the Company.

14. Goodwill and intangible assets

During the three months ended March 31, 2022, the Company recognized $412 (2021: $412) of amortization expenses, and $566 (2021:$510) of exchange differences. The Company exercises judgement to determine whether there is an impairment indicator requiring an impairment test for its goodwill and indefinite life intangible assets to be completed. As at March 31, 2022, no impairment indicators exist.

15. Contingencies

The Company is, from time to time, involved in various claims, legal proceedings and complaints arising in the ordinary course of business. The Company does not believe that adverse decisions in any pending or threatened proceedings, or any amount it may be required to pay by reason thereof, will have a material adverse effect on the financial condition or future results of operations of the Company.