

# **Namaste Laboratories LLC and Subsidiaries**

Consolidated Financial Statements

March 31, 2022, and March 31, 2021

**KNAV P.A.**

Certified Public Accountants

One Lakeside Commons, Suite 850

990 Hammond Drive NE, Atlanta, GA 30328



America Counts on CPAs

## Table of contents

<b>Independent Accountant's Compilation Report</b> .....	<b>3</b>
<b>Consolidated Financial Statements</b> .....	<b>5</b>
<i>Consolidated balance sheets</i> .....	6
<i>Consolidated statements of comprehensive income</i> .....	7
<i>Consolidated statement of changes in member's equity</i> .....	8
<i>Consolidated statements of cash flows</i> .....	9



# Independent Accountant's Compilation Report

The Member,  
Namaste Laboratories LLC and Subsidiaries  
Chicago, Illinois

Management is responsible for the accompanying consolidated financial statements of Namaste Laboratories LLC and Subsidiaries ('the Company'), which comprise the consolidated balance sheets as of March 31, 2022, and March 31, 2021, and the related consolidated statements of comprehensive income, changes in member's equity and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants (AICPA). We did not audit or review the consolidated financial statements, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on these consolidated financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the consolidated financial statements, they might influence the user's conclusions about the Company's consolidated financial position, consolidated results of operations, and consolidated cash flows. Accordingly, the consolidated financial statements are not designed for those who are not informed about such matters.

**KNAV P.A.**

Atlanta, Georgia  
Date: July 25, 2022



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**KNAV P.A.**

**Certified Public Accountants**

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**Namaste Laboratories LLC and Subsidiaries**

Consolidated Financial Statements

March 31, 2022, and March 31, 2021

# **Consolidated Financial Statements**

**Namaste Laboratories LLC and Subsidiaries**

Consolidated Financial Statements

March 31, 2022, and March 31, 2021

**Consolidated balance sheets***(All amounts are in United States Dollars, unless otherwise stated)*

	As at	
	<b>March 31, 2022</b>	<b>March 31, 2021</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	2,333,259	6,451,441
Accounts receivables, net	8,255,824	7,437,244
Inventories	7,375,423	6,370,916
Due from related parties	7,770,741	7,618,435
Prepaid expenses and other current assets	1,729,662	2,491,634
<b>Total current assets</b>	<b>27,464,909</b>	<b>30,369,670</b>
Property and equipment, net	520,862	506,451
Investments in bonds	13,819,807	5,340,125
Deferred tax assets	2,113	61,248
Other assets	4,236,377	4,244,517
<b>Total assets</b>	<b>46,044,068</b>	<b>40,522,011</b>
<b>LIABILITIES AND MEMBER'S EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable	3,259,510	4,333,003
Due to related parties	9,025,019	10,697,166
Other current liabilities	7,613,038	8,498,314
<b>Total current liabilities</b>	<b>19,897,567</b>	<b>23,528,483</b>
<b>Total liabilities</b>	<b>19,897,567</b>	<b>23,528,483</b>
<b>Member's equity</b>		
Member's equity	901,185	901,185
Retained earnings	22,441,572	14,211,796
Additional paid in capital	903,335	852,204
Accumulated other comprehensive income	1,900,409	1,028,343
<b>Total member's equity</b>	<b>26,146,501</b>	<b>16,993,528</b>
<b>Total liabilities and member's equity</b>	<b>46,044,068</b>	<b>40,522,011</b>

*(See independent accountant's compilation report)*

**Namaste Laboratories LLC and Subsidiaries**

Consolidated Financial Statements

March 31, 2022, and March 31, 2021

**Consolidated statements of comprehensive income***(All amounts are in United States Dollars, unless otherwise stated)*

	<b>For the year ended</b>	
	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Revenues, net of allowances & rebates	80,687,746	66,536,439
Cost of revenues	47,943,291	37,698,229
<b>Gross profit</b>	<b>32,744,455</b>	<b>28,838,210</b>
<b>Costs and expenses</b>		
Salaries and other employee benefits	6,860,827	6,423,926
Legal and professional expenses	1,060,602	1,398,558
Research and development expenses	310,311	251,083
Depreciation and amortization expense	169,755	169,712
Selling, general and administrative expenses	15,927,893	15,374,805
<b>Total operating costs and expenses</b>	<b>24,329,388</b>	<b>23,618,084</b>
<b>Operating income</b>	<b>8,415,067</b>	<b>5,220,126</b>
<b>Other income</b>		
Loss on foreign exchange	(246,343)	(39,914)
Other miscellaneous income	275,683	103,948
<b>Total other income</b>	<b>29,340</b>	<b>64,034</b>
<b>Income before tax</b>	<b>8,444,407</b>	<b>5,284,160</b>
Current tax expense	(214,631)	(55,391)
Deferred tax expense	-	(62,467)
<b>Net income for the year</b>	<b>8,229,776</b>	<b>5,402,018</b>
<b>Other comprehensive income</b>		
Foreign currency translation adjustment	872,066	(603,073)
<b>Net comprehensive income for the year</b>	<b>9,101,842</b>	<b>4,798,945</b>

*(See independent accountant's compilation report)*

**Namaste Laboratories LLC and Subsidiaries**

Consolidated Financial Statements

March 31, 2022, and March 31, 2021

**Consolidated statements of changes in member's equity***(All amounts are in United States Dollars, unless otherwise stated)***Member's equity as at April 01, 2020**

Net income for the year

Employee stock option expenses

Foreign currency translation adjustment

Distribution to member

**Member's equity as at March 31, 2021**

Net income for the year

Employee stock option expenses

Foreign currency translation adjustment

**Member's equity as at March 31, 2022***(See independent accountant's compilation report)*

<b>Member's equity</b>	<b>Retained earnings</b>	<b>Additional paid in capital</b>	<b>Accumulated other comprehensive income</b>	<b>Total member's equity</b>
<b>901,185</b>	<b>10,678,091</b>	<b>786,756</b>	<b>1,631,416</b>	<b>13,997,448</b>
-	5,402,018	-	-	5,402,018
-	-	65,448	-	65,448
-	-	-	(603,073)	(603,073)
-	(1,868,313)	-	-	(1,868,313)
<b>901,185</b>	<b>14,211,796</b>	<b>852,204</b>	<b>1,028,343</b>	<b>16,993,528</b>
-	8,229,776	-	-	8,229,776
-	-	51,131	-	51,131
-	-	-	872,066	872,066
<b>901,185</b>	<b>22,441,572</b>	<b>903,335</b>	<b>1,900,409</b>	<b>26,146,501</b>



**Namaste Laboratories LLC and Subsidiaries**

Consolidated Financial Statements

March 31, 2022, and March 31, 2021

**Consolidated statements of cash flows***(Amounts are in United State Dollars, unless otherwise stated)*

	<b>Year ended</b>	
	<b>March 31, 2022</b>	<b>March 31, 2021</b>
<b>Cash flows from operating activities</b>		
Net income	8,229,776	5,402,018
<b>Adjustments to reconcile net income to net cash provided by operating activities</b>		
Depreciation and amortization	169,755	169,712
Allowance for doubtful debts	1,925,012	637,336
Employee stock option expenses	51,131	65,448
Deferred income taxes	-	(62,467)
<b>Changes in operating assets and liabilities:</b>		
Accounts receivables	(8,923,937)	5,264,891
Inventories	(1,426,324)	(367,548)
Prepaid expenses and other current assets	767,941	(920,736)
Due from related party	4,451,249	3,104,152
Accounts payable	5,026,264	(1,637,169)
Other current liabilities	179,201	556,321
Due to related party	(5,726,863)	(2,361,418)
Other non-current assets	6,028	108,995
<b>Net cash provided by operating activities</b>	<b>4,729,233</b>	<b>9,959,535</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(172,228)	(34,361)
Purchase of bonds	(8,479,334)	(5,340,125)
<b>Net cash used in investing activities</b>	<b>(8,651,562)</b>	<b>(5,374,486)</b>
<b>Cash flows from financing activities</b>		
Distribution to member	-	(1,868,313)
<b>Net cash used in financing activities</b>	<b>-</b>	<b>(1,868,313)</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(3,922,329)</b>	<b>2,716,736</b>
Cash and cash equivalents, beginning of year	6,451,441	3,786,205
Effect of foreign currency translation	(195,853)	(51,500)
<b>Cash and cash equivalents, end of year</b>	<b>2,333,259</b>	<b>6,451,441</b>
<b>Supplemental cash flow information</b>		
Income taxes paid	31,085	97,587
<i>(See independent accountant's compilation report)</i>		