CYPHER METAVERSE INC.

<u>AMENDED AND RESTATED</u>

NOTICE OF MEETING

AND

MANAGEMENT INFORMATION CIRCULAR

IN RESPECT OF AN

ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

To be held on December 1, 2023 at 9:00 AM (Calgary Time)

DATED: September 29, 2023

CYPHER METAVERSE INC.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

Notice is hereby given that the annual general and special meeting (the "**Meeting**") of the holders of common shares (the "**Shareholders**") of Cypher Metaverse Inc. (the "**Company**") will be held on **Friday**, the **1st** day of **December**, 2023, at **9;00 a.m.** (Calgary time) at the offices of Dentons Canada LLP, 15th Floor, Bankers Court, 850 – 2nd Street SW, Calgary, AB T2P 0R8 for the following purposes:

1. to receive the audited consolidated annual financial statements of the Company for the year ended December 31, 2022, together with the report of the auditors thereon;

2. to appoint auditors of the Company for the ensuing year and to authorize the board of directors to fix the auditors' remuneration;

3. to fix the number of directors to be elected at the Meeting at three;

4. to elect directors of the Company for the ensuing year;

5. to consider and, if thought advisable, to pass, with or without variation, an ordinary resolution, the full text of which is set forth in the accompanying management information circular ("**Circular**"), approving the proposed transaction (the "**Proposed Transaction**"), involving the Company and Agapi Luxury Brands Inc. ("**Agapi**"), as more fully described in the Circular; and

6. to transact such other business as may properly be brought before the Meeting or any adjournment(s) or postponement(s) thereof.

The specific details of the matters to be considered at the Meeting are set out in the Circular dated September 29, 2023 2023, which accompanies this Notice of Meeting. Only Shareholders of record at the close of business on **October 17**, 2023, are entitled to receive notice of and to vote at the Meeting or any adjournment thereof.

If you are a registered Shareholder and are unable to attend the Meeting in person, please date and execute the accompanying form of proxy and return it in the envelope provided to Odyssey Trust Company, Trader's Bank Building, 702, 67 Yonge Street, Toronto, ON M5E 1J8, Attn: Proxy Department, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time fixed for the Meeting or an adjournment thereof.

If you are not a registered Shareholder and receive these materials through your broker or through another intermediary, please complete and return the form of proxy in accordance with the instructions provided to you by your broker or by the other intermediary.

Dated at Vancouver, British Columbia, this **29th** day of **September**, 2023.

BY ORDER OF THE BOARD OF DIRECTORS

"*George Tsafalas*"
George Tsafalas
President and Chief Executive Officer

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CYPHER METAVERSE INC.

INFORMATION CIRCULAR

GENERAL PROXY INFORMATION

Purpose of Solicitation

This management information circular (“**Circular**”) is furnished in connection with the solicitation of proxies by the management of Cypher Metaverse Inc. (the “**Company**” or “**Cypher**”) for use at the annual general and special meeting of the Company referred to in this Circular, scheduled to take place on **Friday**, the **1st** day of **December**, 2023, at **9;00 a.m.** (Calgary time (the “**Meeting**”) of the holders (the “**Shareholders**”) of common shares (“**Shares**”).

The Meeting will be held on **December 1**, 2023, at **9:00 [a.m.** (Calgary time) at the place and for the purposes set out in the accompanying Notice of Meeting. As a Shareholder, you are cordially invited to be present at the Meeting. To ensure that you will be represented at the Meeting in the event that you are a registered Shareholder and unable to attend personally, you are requested to date, complete and sign the accompanying form of proxy (“**Proxy**”) enclosed herewith and return the same to Odyssey Trust Company, Trader’s Bank Building, 702, 67 Yonge Street, Toronto, ON M5E 1J8, Attn: Proxy Department, or by email at proxy@odysseytrust.com or online at https://login.odysseytrust.com/pxlogin not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time fixed for the Meeting or an adjournment thereof. If you are a Beneficial Shareholder (as defined below) and receive these materials through your broker or through another intermediary, please complete and return the instrument of proxy or voting instruction form (“**VIF**”) in accordance with the instructions provided therein. Solicitation of proxies will be primarily by mail, but may also be by telephone, facsimile, in person or by other means of communication by directors, officers and employees of Cypher who will not be additionally compensated. All costs and expenses incurred in connection with the solicitation of proxies will be borne by Cypher.

Appointment and Revocation of Proxies

Enclosed herewith is a Proxy for use at the Meeting. The persons named in the Proxy are directors and/or officers of Cypher. **A Shareholder submitting a Proxy has the right to appoint a nominee (who need not be a Shareholder) to represent such Shareholder at the Meeting other than the persons designated in the enclosed Proxy by inserting the name of the chosen nominee in the space provided for that purpose on the Proxy and by striking out the printed names.**

A Proxy will not be valid for the Meeting or any adjournment or postponement thereof unless it is signed by the Shareholder or by the Shareholder’s attorney authorized in writing or, if the Shareholder is a corporation, it must be executed by a duly authorized officer or attorney thereof. The Proxy to be acted upon must be deposited with Odyssey Trust Company, the registrar and transfer agent for the Shares, at Trader’s Bank Building, 702, 67 Yonge Street, Toronto, ON M5E 1J8, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time fixed for the Meeting or an adjournment thereof.

A Shareholder who has given a Proxy may revoke it prior to its use, in any manner permitted by law, including by instrument in writing, executed by the Shareholder or by his or her attorney authorized in writing or, if the Shareholder is a corporation, executed by a duly authorized officer or attorney thereof, and deposited at the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the Proxy is to be used or with the chairman of the Meeting on the day of the Meeting or any adjournment thereof.

Advice to Beneficial Holders of Shares

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold Shares in their own name. Shareholders who do not hold their Shares in their own name (referred to in this Circular as "**Beneficial Shareholders**") should note that only Proxies deposited by Shareholders whose names appear on the records of Cypher as the registered Shareholders can be recognized and acted upon at the Meeting. If Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases, those Shares will not be registered in the Shareholder's name on the records of Cypher. Such Shares will more likely be registered under the names of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Depository and Clearing Services Inc., which acts as nominee for many Canadian brokerage firms). Shares held by brokers, or their agents or nominees can only be voted or withheld from voting upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting Shares for the broker's clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Shares are communicated to the appropriate person.**

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided to registered Shareholders; however, its purpose is limited to instructing the registered Shareholder how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Services, Inc. ("**Broadridge**"). Broadridge typically mails a scannable VIF in lieu of the form of proxy. The Beneficial Shareholder is requested to complete and return the VIF to them by mail or facsimile. Alternatively, the Beneficial Shareholder can call a toll-free telephone number or visit www.proxyvote.com to vote the Shares held by the Beneficial Shareholder. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Shares to be represented at the Meeting. A Beneficial Shareholder receiving a VIF cannot use that VIF to vote Shares directly at the Meeting as the VIF must be returned as directed by Broadridge well in advance of the Meeting in order to have the Shares voted.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Shares registered in the name of his broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for a registered Shareholder and vote the Shares in that capacity. Beneficial Shareholders who wish to attend at the Meeting and indirectly vote their Shares as proxyholder for a registered Shareholder should enter their own names in the blank space on the instrument of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

Voting of Proxies

All Shares represented at the Meeting by properly executed Proxies will be voted on any matter that may be called for, and where a choice with respect to any matter to be acted upon has been specified in the accompanying Proxy, the Shares represented by the Proxy will be voted or withheld from voting in accordance with such instructions. **In the absence of any such instruction, the persons whose names appear on the printed Proxy will vote in favour of all the matters set out thereon. The enclosed Proxy confers discretionary authority upon the persons named therein. If any other business or amendments or variations to matters identified in the Notice of Meeting properly comes before the Meeting, then discretionary authority is conferred upon the person appointed in the Proxy to vote in the manner they see fit, in accordance with their best judgment.**

At the time of the printing of this Circular, the management of Cypher knew of no such amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting.

Notice and Access

The Company is using the notice and access provisions of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102 *Continuous Disclosure Obligations* ("**Notice and Access**") to provide Meeting materials electronically, for both registered and non-registered Shareholders. Instead of mailing Meeting materials to Shareholders, the Company has posted this Circular and the Proxy on its website at www.cypher-meta.com, in addition to on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") at www.sedar.com. The Company has sent the Notice of Meeting and a Proxy or VIF (collectively, the "**Notice Package**") to all Shareholders informing them that this Circular is available online and explaining how this Circular may be accessed. The Company will not directly send the Notice Package to non-registered Shareholders. Instead, the Company will pay intermediaries to forward the Notice Package to all non-registered Shareholders.

The Company has elected to utilize Notice and Access because it allows for a reduction in the use of printed paper materials and has reduced printing and mailing costs associated with the Company's Shareholder meetings. In accordance with Notice and Access, the Company set the Record Date (as defined below) at least 40 days before the Meeting.

Registered and non-registered Shareholders who have signed up for electronic delivery of this Circular will continue to receive it by email. No Shareholders will receive a paper copy of this Circular unless they contact the Company, in which case the Company will mail this Circular within three business days of any request, provided the request is made before the date of the Meeting or any adjournment or postponement thereof. We must receive your request before 5:00 p.m. (Calgary time) on **November 24**, 2023, to ensure you will receive paper copies in advance of the deadline to submit your vote. If your request is made after the Meeting and within one year of the Circular being filed, the Company will mail the Circular within 10 calendar days of any request.

Voting Shares and Principal Holders Thereof

The board of directors of the Company (the "**Board**") has fixed **October 17**, 2023 (the "**Record Date**"), as the record date. Shareholders at the close of business on the Record Date are entitled to receive notice of the Meeting and to vote thereat or at any adjournments thereof on the basis of one vote for each Share held, except to the extent that: (i) a registered Shareholder has transferred the ownership of any Shares subsequent to the Record Date; and (ii) the transferee of those Shares produces properly endorsed share certificates, or otherwise establishes that he or she owns the Shares and demands, not later than 10 days before the Meeting, that his or her name be included on the list of persons entitled to vote at the Meeting, in which case, the transferee shall be entitled to vote such Shares at the Meeting. The transfer books will not be closed.

As of the Record Date and the date hereof, 15,571,906 Shares were issued and outstanding as fully paid and non-assessable.

As of the Record Date, to the knowledge of the directors and executive officers of Cypher, there are no persons or companies who beneficially own, directly or indirectly, or control or direct Shares carrying 10% or more of the voting rights attached to all of the Shares.

As of the date hereof, the directors and executive officers of Cypher, as a group, beneficially owned, directly or indirectly, 38,333 Shares, representing 0.246% of the issued and outstanding Shares.

Cautionary Notice Regarding Forward-Looking Statements and Information

This Circular, and the documents incorporated by reference herein, contain “forward-looking statements” and “forward-looking information” within the meaning of applicable Canadian securities laws. All statements other than statements of historical fact are forward-looking information. The use of any of the words “expect”, “anticipate”, “continue”, “estimate”, “objective”, “ongoing”, “may”, “will”, “project”, “should”, “believe”, “plans”, “intends”, “potential” and similar expressions are intended to identify forward-looking information. Forward-looking statements or forward looking-information presented in such statements or disclosures may, among other things, relate to: (i) the anticipated benefits of the Proposed Transaction (as defined below); (ii) the expected completion and implementation date of the Proposed Transaction and Name Change (as defined below); (iii) the satisfaction of closing conditions to the Proposed Transaction and Name Change; (iv) the treatment of the Agapi Warrants (as defined below); (v) the timing of Shareholder approval and CSE Approval (as defined below) of the Proposed Transaction; (vi) the nature of the Resulting Issuer’s operations following the Proposed Transaction; (vii) statements regarding the Name Change (as defined below) of the Company; (viii) terms and conditions, including the use of proceeds, of the Private Placement (as defined below); (ix) the terms and conditions of the Bridge Loan (as defined below); (x) the proposed directors and officers of the Resulting Issuer; and (xi) the Resulting Issuer’s business outlook following the Proposed Transaction.

Although Cypher believes in light of the experience of its officers and directors, current conditions and expected future developments and other factors that have been considered appropriate that the expectations reflected in this forward-looking information are reasonable, undue reliance should not be placed on them because Cypher can give no assurance that they will prove to be correct. Actual results and developments may differ materially from those contemplated by these statements depending on, among other things: (i) the risks that the parties will not proceed with the Proposed Transaction, the Name Change, the Private Placement, the appointment of the proposed directors and officers of the Resulting Issuer and associated transactions; (ii) that the ultimate terms of the Proposed Transaction, the Private Placement, the appointment of the proposed directors and officers of the Resulting Issuer and associated transactions will differ from those that currently are contemplated; and (iii) that the Proposed Transaction, the Name Change, the Private Placement, the appointment of the proposed directors and officers of the Resulting Issuer and associated transactions will not be successfully completed for any reason (including the failure to obtain the required approvals or clearances from regulatory authorities). Cypher undertakes no obligation to comment on analyses, expectations or statements made by third parties in respect of Cypher, Agapi Luxury Brands Inc. (“**Agapi**”), their securities, or their respective financial or operating results (as applicable), except as required by securities laws.

Except as otherwise indicated, forward-looking statements do not reflect the potential impact of any non-recurring or other unusual items or of any dispositions, mergers, acquisitions, other business combinations or other transactions that may be announced or that may occur after the date hereof. The financial impact of these transactions and non-recurring and other unusual items can be complex and depend on the facts particular to each of them. Therefore, we cannot describe the expected impact in a meaningful way or in the same way the Company presents known risks affecting its business.

For additional information on these risks and uncertainties, please refer to the Company's management's discussion and analysis for the year ended December 31, 2022, and the Company's management's discussion and analysis for the three and six-month period ended June 30, 2023, including under "*Risks and Uncertainties*" therein, which are available on the Company's profile on SEDAR at www.sedar.com. The risk factors identified therein and in this Circular are not intended to represent a complete list of factors that could affect the Company. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not assume any obligation to update the forward-looking information contained in this Circular, unless required by law.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Except as otherwise disclosed herein, no director or executive officer of the Company, or any person who has held such a position since the beginning of the last completed financial year-end of the Company, nor any nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting, other than the election of directors, the appointment of the auditor and as may be otherwise set out herein.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed herein, no informed person of the Company, proposed director of the Company or any associate or affiliate of an informed person or proposed director, has any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company is authorized to issue an unlimited number of Shares. As at the Record Date and as at the date of this Circular, there were 15,571,906 issued and outstanding Shares, each Share carrying the right to one vote. As at the date hereof, to the knowledge of the directors and executive officers of the Company, and based on a review of the records maintained by Odyssey Trust Company, electronic filings with SEDAR and insider reports filed with the System for Electronic Disclosure by Insiders, no person owns, directly or indirectly, or exercises control or direction over, Shares carrying more than 10% of the voting rights attached to all outstanding Shares.

CURRENCY

All currency amounts expressed herein, unless otherwise indicated, are expressed in Canadian dollars.

MATTERS TO BE ACTED UPON AT MEETING

1. Receipt of the Financial Statements and Auditors' Report

The Shareholders will receive and consider the Company's audited consolidated annual financial statements for the fiscal year ended December 31, 2022, together with the auditors' report thereon. A copy of the financial statements is available for review on SEDAR at www.sedar.com.

2. Appointment of Auditors

PKF Antares Professional Corporation, Chartered Professional Accountants ("**PKF**"), located at 700, 602 12th Avenue SW, Calgary, AB T2R 1J3, will be nominated at the Meeting for reappointment as auditor of the Company for the ensuing year, at such remuneration as may be approved by the Board.

To be effective, the resolution must be passed by at least a majority of votes cast by the Shareholders represented at the Meeting in person or by proxy.

The Board recommends that Shareholders vote FOR the ordinary resolution appointing PKF as auditor of the Company. Unless otherwise directed, it is the intention of the persons named in the accompanying Proxy to vote FOR the ordinary resolution appointing PKF as auditor.

3. Fixing the Number of Directors

At the Meeting, Shareholders will be asked to approve an ordinary resolution fixing the number of directors to be elected at the Meeting at three, as may be adjusted between Shareholders' meetings by way of resolution of the Board. The Board currently consists of three directors, and the Board proposes that the number of directors be fixed at three at the Meeting.

To be effective, the resolution must be approved by at least a majority of votes cast by the Shareholders represented at the Meeting in person or by proxy.

The Board recommends that Shareholders vote FOR the ordinary resolution fixing the number of directors at three. Unless otherwise directed, it is the intention of the persons named in the accompanying Proxy to vote FOR the ordinary resolution fixing the number of directors at three.

4. Election of Directors

At the Meeting, Shareholders will be asked to elect the proposed directors set forth below to hold office until the next annual meeting or until their successors are elected or appointed.

The term of office for all current directors will end at the conclusion of the Meeting. Unless the director's office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (British Columbia) (the "**BCBCA**"), each director elected will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

The following table sets out the names of management's nominees for election as directors, all major offices and positions with the Company or any of its significant affiliates each nominee holds, each nominee's principal occupation, business or employment for the five preceding years for new director nominees, the period of time during which each nominee has been a director of the Company and the number of Shares of the Company beneficially owned by each nominee, directly or indirectly, or over which each exercised control or direction, as at the date of this Circular.

Name	Director Since[(2)]	Position(s) Currently Held with Cypher	Principal Occupation/Employment for Previous Five Years[(3)]	Number/Percentage of Shares Beneficially Owned or over which Control or Direction is Exercised
George Tsafalas[(1)] *Vancouver, BC*	June 29, 2017	CEO, President and Director	Executive and investment professional.	28,333 (0.182%)
Brian Keane[(1)] *New York, NY*	September 29, 2017	Director	Self-employed businessman since 2000.	10,000 (0.064%)
Harrison Ross[(1)] *Vancouver, BC*	October 4, 2021	Director	Executive and investment professional. CEO of Health Logic Interactive Inc. since November 16, 2021. VP Finance of Marizyme Inc. since December 23, 2021.	Nil

Notes:

(1) Member of the Audit Committee.

(2) All directors of the Company are elected to hold office until the next annual meeting of Shareholders or until his or her successor is duly elected or appointed, unless his or her office is vacated earlier in accordance with the Company's articles.

(3) The information as to principal occupation, business or employment, penalties, sanctions, cease trade orders, bankruptcies, Shares beneficially owned or controlled is not within the knowledge of the management of and has been furnished by the respective nominees.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Cease Trade Orders

Except as set out below, to the knowledge of the Company, no director or executive officer of the Company (nor any personal holding company of any of such persons) is, as of the date of this Circular, or was within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company), that:

(a) as subject to a cease trade order (including a management cease trade order), an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days (collectively, an "**Order**"), that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Mr. Keane became an officer and director of Callitas Health Inc. while it was already subject to a cease trade order dated July 9, 2019, for failure to file financial statements. That cease trade order is ongoing.

Bankruptcies

To the knowledge of the Company, no director or executive officer of the Company (nor any personal holding company of any of such persons), or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

(a) is, as of the date of this Circular, or has been within the 10 years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Penalties or Sanctions

To the knowledge of the Company, no director or executive officer of the Company (nor any personal holding company of any of such persons), or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Unless otherwise directed, it is the intention of the persons named in the accompanying Proxy to vote FOR the election as directors of the above-designated persons as nominees to hold office until the next annual general meeting, or until their successors are elected or appointed.

CORPORATE GOVERNANCE

General

The Board believes that good corporate governance improves corporate performance and benefits all Shareholders. National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("**NI 58-101**") prescribes certain disclosure by the Company of its corporate governance practices. This section sets out the Company's approach to corporate governance and addresses the Company's compliance with NI 58-101.

Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A “material relationship” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director’s independent judgment.

The Board facilitates its independent supervision over management by holding periodic Board meetings to discuss the operations of the Company. The non-independent director, by virtue of holding a management position with the Company, is the CEO, George Tsafalas. Brian Keane and Harrison Ross are independent members of the Board.

Board Mandate

The following table sets forth the directors of Cypher who currently hold directorships in other reporting issuers:

Name of Director	Other Issuer
Brian Keane	Callitas Health Inc.
Harrison Ross	Health Logic Interactive Inc.

Orientation and Continuing Education

When new directors are appointed, they receive orientation commensurate with their previous experience in the Company’s business, industry, and the responsibilities of directors. Board meetings may also include presentations by the Company’s management and employees to give the directors additional insight into the Company’s business. Directors are encouraged to take continuing education courses to enhance their knowledge of corporate governance.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Company’s governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director’s participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Nomination of Directors

The Board considers its size each year when it considers the number of directors to recommend to the Shareholders for election at annual meetings of Shareholders, taking into account the number required to carry out the Board’s duties effectively and to maintain a diversity of views and experience. The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Company, this policy will be reviewed.

Compensation

The Board, as a whole, determines compensation for the directors, CEO and CFO. The compensation is discussed and determined during Board meetings. The following criteria have been taken into consideration while determining compensation: financial position of the Company, amount of time spent on the business of the Company, qualifications of directors, CEO and CFO and organizational commitment.

Other Board Committees

The Board has no committees other than the audit committee (the "**Audit Committee**"). Further information regarding the Audit Committee is set out in Schedule "A" attached hereto.

Assessments

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and committees.

Director Term Limits and Other Mechanisms of Board Renewal

The Company has not adopted term limits or other mechanisms to force a director to be removed from the Board. The articles of the Company provide that directors will serve until the next annual general meeting of Shareholders and, if qualified, can be nominated by the governance committee for re-election. Accordingly, the Board has determined that term limits or mandatory retirement based on age is not necessary. The Board believes that sustained leadership and intimate knowledge of the Company are assets to the operations and the future of the Company. The Board also believes that imposition of term limits is inflexible and could possibly result in experienced directors being forced to resign or barred from standing for re-election based solely on tenure. The Board considers the performance and contribution of individual directors on an ongoing basis.

Policies Regarding the Representation of Women on the Board

The Company has not adopted written policies relating to the identification and nomination of women to the Board. While committed to diversity, the Company is of the view that the identification and nomination of individuals to the Board should be made on the basis of the knowledge and experience of candidates.

The Company does not consider the level of representation of women on the Board in identifying and nominating candidates for election or re-election. The Company is aware of and committed to diversity but believes that director identification and selection should focus on the knowledge and experience of candidates.

The Company does not consider the level of representation of women in executive officer positions when making executive officer appointments. The Company is of the view that executive officer appointments should be made on the basis of the knowledge and experience of candidates.

The Company has not adopted targets regarding the representation of women on the Board or in executive officer positions. The Company believes that targets are unnecessary and would detract from a focus on the knowledge and experience of candidates.

The Company has no women on its Board, representing 0% of Board membership and one woman in an executive officer position, representing 50% of all executive officers.

EXECUTIVE COMPENSATION AND RENUMERATION

Compensation Discussion and Analysis

Introduction

Under applicable securities legislation, the Company is required to disclose certain financial and other information relating to the compensation of the Named Executive Officers ("**NEOs**") and the directors of the Company. The Company is a venture issuer and is disclosing its executive compensation in accordance with Form 51-102F6V *Statement of Executive Compensation – Venture Issuers.*

For the period ending December 31, 2022, the Corporation had the following NEOs:

- George Tsafalas – President and CEO; and
- Tatiana Kovaleva – CFO.

Compensation Governance

Given the small size of the Company and Board, no formal compensation committee has been appointed. The non-management directors on the Board review and approve the annual compensation of the CEO and, based on the recommendation of the CEO, review and approve the annual compensation of senior management.

Objectives of Any Compensation Program or Strategy

The Board determines the compensation to be paid or awarded to the NEOs of the Company. To achieve the Company's objectives, the Company believes it is critical to create and maintain compensation programs that attract and retain committed, highly qualified personnel by providing appropriate rewards and incentives and that align the interest of the officers of the Company with those of the Shareholders to provide incentives to the officers to enhance Shareholder value. However, as a small company, it is constrained by the amount of capital it has available. This element was the primary focus of all compensation decisions in 2022.

In 2022, compensation for the NEOs consisted of three elements: base salary, bonus, and long-term equity incentives.

How the Corporation Determines the Amount for Each Element

As indicated above, executive compensation is the responsibility of the Board. During the fiscal year ended December 31, 2022, the Board had no meetings dedicated solely to compensation.

The Board uses all the data available to ensure that the Company is maintaining a level of compensation that is both commensurate with the size of the Company and sufficient to retain personnel it considers essential to the success of the Company. In reviewing comparative data, the Board does not engage in benchmarking for the purpose of establishing compensation levels relative to any predetermined point. In the Board's view, external and third-party survey data provides insight into external competitiveness, but it is not an appropriate single basis for establishing compensation levels. This is primarily due to the differences in the size of comparable companies and the lack of sufficient appropriate matches to provide statistical relevance.

In the process used by the Board to establish and adjust executive compensation levels, third-party survey data may be considered, along with an assessment of individual performance, experience and potential to contribute to operations and growth of the Company. However, the Company largely relies on Board discussion and familiarity with the NEOs without any formal objectives or criteria. The Board can exercise both positive and negative discretion in relation to the compensation awards and their allocation between cash and non-cash awards.

The CEO of the Company makes recommendations to the Board regarding total compensation to the NEOs of the Company (excluding the CEO), including base salaries, bonuses, and long-term equity incentive grants. These recommendations are considered by the Board against information derived from publicly available information and adjusted, as applicable, for inflation and anticipated increases in the current year.

Salary

Base salary represents the fixed element of the NEO's cash compensation. The base salary reflects the Board's consideration of each individual's level of responsibility, expertise, skills, knowledge and performance. Base salaries for the NEOs of the Company are reviewed annually by the Board.

In 2022, the Board did increase the base salary amounts for the CEO and CFO.

Annual Cash Bonus Awards

The Board has the authority, based upon management recommendations, to award annual discretionary bonuses to the executive officers. The annual discretionary bonuses are intended to compensate officers for achieving superior financial and operational results for the Company. The discretionary annual bonus may be paid in cash or Shares in an amount reviewed with management, recommended by the Board, and approved by the Board. The actual amount of bonus is determined following a review by the Board of each executive's individual role during the previous year.

Bonuses awarded by the Board are intended to be competitive with the market while rewarding senior executives for creating qualitative improvements in the Company's performance, including delivering near-term financial and operating results, developing long-term growth prospects, improving the efficiency and effectiveness of business operations and building a culture of teamwork focused on creating long-term shareholder value. Consistent with the flexible nature of the annual bonus program, the Board does not assign any specific weight to any particular element of performance, nor is any specific weight assigned to a specific performance goal in the aggregate. The Board considers not only the Company's performance during the year but also with respect to market and economic trends and forces, extraordinary internal and market-driven events, unanticipated developments and other extenuating circumstances. In sum, the Board analyzes the total mix of available information on a qualitative, rather than quantitative, basis in making bonus determinations.

In 2022, no bonuses were awarded to the NEOs.

Long-Term Incentive Programs

The allocation of stock options ("**Options**") and the terms designed in those Options are an integral component of the compensation package of the executive officers of the Company. The Company has a stock option plan (the "**Plan**") in place for the purpose of providing Options to the executive officers of the Company. The Board believes that the grant of Options to the executive officers and Share ownership by such officers motivates achieving the Company's long-term strategic objectives, and the result will benefit all Shareholders of the Company. Options are awarded to employees of the Company by the Board based upon the recommendation of the CEO, who bases his decision on the level of responsibility and contribution of the individuals toward the Company's ultimate goals and objectives. Also, the Board considers the overall number of Options that are outstanding relative to the number of outstanding Shares of the Company in determining whether to make any new grants of Options and the size of such grants. The granting of these specific Options is reviewed by management for final recommendation to the Board for approval.

Hedging Activities

Although the Company has no formal hedging policy in place with respect to purchases of securities by NEOs or directors designed to hedge or offset a decrease in the market value of equity securities granted as compensation or held, directly or indirectly, by such individuals, to the Company's knowledge, no NEO or director has hedged the economic value of his direct or indirect interests in the market value of the Shares so held or granted as compensation.

Risk Assessment and Oversight

The Board is keenly aware that compensation practices can have unintended risk consequences. The Board will continually review the Company's compensation policies to identify any practice that might encourage an employee to expose the Company to unacceptable risks. At the present time, the Board is satisfied that the current executive compensation program does not encourage the Company's executives to expose the business to inappropriate risk. The Board takes a conservative approach to executive compensation, rewarding individuals for the success of the Company once that success has been demonstrated and incentivizing them to continue that success through the grant of long-term incentive awards. In addition, the Plan limits the number of Options a particular NEO is entitled to receive.

Summary Compensation Table

Name and Position	Year	Salary, Consulting Fee, Retainer or Commission ($)	Bonus ($)	Committee or Meeting Fees ($)	Value of Perquisites[1] ($)	Value of all other Compensation ($)	Total Compensation[2][3] ($)
George Tsafalas	2022	198,050	Nil	Nil	Nil	Nil	198,050
CEO, President, Director	2021	190,523	Nil	Nil	Nil	Nil	190,523
Tatiana Kovaleva	2022	83,475	Nil	Nil	Nil	Nil	83,475
CFO	2021	90,825	Nil	Nil	Nil	Nil	90,825
Brian Keane	2022	49,750	Nil	Nil	Nil	Nil	49,750
Independent Director	2021	77,825	Nil	Nil	Nil	Nil	77,825
Harrison Ross[4]	2022	18,900	Nil	Nil	Nil	Nil	18,900
	2021	4,725	Nil	Nil	Nil	Nil	4,725

Name and Position	Year	Salary, Consulting Fee, Retainer or Commission ($)	Bonus ($)	Committee or Meeting Fees ($)	Value of Perquisites(1) ($)	Value of all other Compensation ($)	Total Compensation (2)(3) ($)
Independent Director							
Morie Shacker(5)	2022	Nil	Nil	Nil	Nil	Nil	Nil
Independent Director	2021	Nil	Nil	Nil	Nil	Nil	Nil

Notes:
(1) The value of perquisites and benefits, if any, for each NEO or director was less than (a) $15,000, if the NEO or director's total salary for the financial year was $150,000 or less; (b) 10% of the NEO or director's salary for the financial year, if the NEO or director's total salary for the financial year was greater than $150,000 but less than $500,000; or (c) $50,000, if the NEO or director's total salary for the financial year was $500,000 or greater.
(2) In 2022, Mr. Tsafalas received compensation in the amount of $198,050 for his role as President and CEO and Nil for his role as director.
(3) In 2021, Mr. Tsafalas received compensation in the amount of $190,523 for his role as President and CEO and Nil for his role as director.
(4) Mr. Ross was appointed to the Board on October 4, 2021.
(5) Mr. Shacker resigned from the Board on October 4, 2021.

External Management Companies

No NEO or director has been retained or employed by an external management company which has entered into an understanding, arrangement or agreement with us to provide executive management services to us, directly or indirectly.

Stock Options and Other Compensation Securities

During the Company's most recently completed financial year, no Options or compensation securities were granted or issued to any NEO or director of the Company for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries.

Exercise of Compensation Securities by NEOs

During the fiscal year ended December 31, 2022, no compensation securities were exercised by any NEO or director.

Description of the Plan

The Company has adopted the Plan pursuant to which the Board may, from time to time, grant Options to directors, officers, employees and consultants of the Company. The number of Shares granted under each Option and the vesting terms thereof are at the discretion of the Board. Options granted under the Plan must have a term of no more than five years from the date of grant. The exercise price of each Option granted under the Plan is at the discretion of the Board, provided that the exercise price cannot be below the closing price of the Shares on the Canadian Securities Exchange (the "**CSE**") on the last trading day before the date of grant. Any outstanding Options granted under the Plan expire on a date not exceeding 90 days following the date that the holder ceases to be an officer, director, employee or consultant of the Company, as the case may be, except in the case of death in which case the Options expire one year from the date of death. Options granted under the Plan are non-assignable and non-transferable. Outstanding Options granted under the Plan may be adjusted in certain events, as to exercise price (subject to disinterested shareholder approval prior to any reduction to the exercise price if the affected optionee is an insider (as defined in the *Securities Act* (Alberta)) of the Company at the time of the proposed amendment) and number of Shares, to prevent dilution or enlargement. The number of Shares that may be optioned under the Plan is limited to 10% of the outstanding Shares from time to time.

As of December 31, 2022, 14,697,906 Shares (representing approximately 10% of the issued and outstanding Shares as at such date) were reserved for issuance pursuant to Options granted under the Plan.

Employment, Consulting and Management Agreements

The Company does not, and did not during the most recently completed financial year, have in place any employment, consulting or management agreements between the Company or any subsidiary or affiliate thereof and any of its NEOs.

There are no employment, consulting or management agreements in place with any of the directors of the Company.

Oversight and Description of Director and NEO Compensation

Cypher does not have a formal compensation committee. The independent directors consider and determine all compensation matters in respect of our NEOs and directors. The objective of its compensation arrangements is to compensate the executive officers for their services at a level that is both in line with fiscal resources and competitive with companies at a similar stage of development.

Cypher compensates its executive officers based on their skill, qualifications, experience, level of responsibility involved in their position, its existing stage development, its resources, industry practice and regulatory guidelines regarding executive compensation.

At this time, the Company does not have a formal compensation program with specific performance goals or similar conditions. Executive compensation is based on the need to provide a compensation package that will allow it to attract and retain qualified and experienced executives balanced with a pay-for-performance philosophy. The Plan will continue to be used to provide share-purchase Options to executives. The Options are granted in consideration of the level of responsibility of the executive as well as his or her impact on the Company's long-term operating performance. In determining the number of Options to grant an executive officer, the Board takes into account the number of Options, if any, previously granted to such executive officer and the exercise price of any outstanding Options to ensure that each grant is in accordance with the policies of the CSE, and to closely align the interests of each executive officer with the interests of Shareholders.

Cypher continually assesses and, if required, revises the compensation plans in accordance with its growth and activity level; this flexible approach is required given the current state of development.

Pension Disclosure

Cypher does not have any pension or retirement plans that are applicable to the NEOs or directors, nor has it provided compensation, monetary or otherwise, to any person who now or previously has acted as an NEO in connection with or related to the retirement, termination or resignation of such person. Similarly, Cypher has not provided any compensation to any such person as a result of a change of control.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth the number of Shares to be issued upon exercise of outstanding Options, warrants and/or rights issued under the equity compensation plans, the weighted average exercise price of such outstanding Options, warrants and/or rights and the number of Shares remaining available for future issuance under equity compensation plans of the Company as of December 31, 2022.

Plan Category	No. of Shares to be Issued upon Exercises of Outstanding Options, Warrants and Rights	Weighted-average Exercise Price of Outstanding Options, Warrants and Rights ($)	No. of Shares Remaining Available for Future Issuance under Equity Compensation Plans (excluding Shares Reflected in First Column)(1)
Equity compensation plans approved by Shareholders	1,469,791	1.27	182,291
Equity compensation plans not approved by Shareholders	Nil	Nil	Nil
Total:	1,469,791	1.27	182,291

Note: (1) Based on 14,697,906 Shares outstanding as at December 31, 2022.

The following table sets out the number of Shares issuable under all convertible or exchangeable securities as of December 31, 2022.

Convertible and Exchangeable Securities

Description of Security (Including conversion/exercise/terms. including exercise/conversion price)	Number of convertible/exchangeable securities outstanding	Number of listed securities issuable upon conversion/exercise
Warrants entitling the holder thereof to acquire one Common Share at an exercise price of $2.20 issued February 3, 2021, expiring February 3, 2023	398,183	398,183
Warrants entitling the holder thereof to acquire one Common Share at an exercise price of $10.00 issued February 3, 2021, expiring February 3, 2023	18,811	18,811
Warrants entitling the holder thereof to acquire one Common Share at an exercise price of $10.00 issued September 24, 2021, expiring September 24, 2023	607,500	607,500
Warrants entitling the holder thereof to acquire one Common Share at an exercise price of $5.00 issued September 24, 2021, expiring September 24, 2023	20,800	20,800
Warrants entitling the holder thereof to acquire one Common Share at an exercise price of $1.05 issued October 4, 2021, expiring October 4, 2023	128,000	128,000

Description of Security (Including conversion/exercise/terms. including exercise/conversion price)	Number of convertible/exchangeable securities outstanding	Number of listed securities issuable upon conversion/exercise
Warrants entitling the holder thereof to acquire one Common Share at an exercise price of $1.05 issued October 4, 2021, expiring October 4, 2023	6,400	6,400
Warrants entitling the holder thereof to acquire one Common Share at an exercise price of $0.90 issued February 23, 2022, expiring February 23, 2024	1,320,000	1,320,000
Warrants entitling the holder thereof to acquire one Common Share at an exercise price of $0.90 issued February 23, 2024, expiring February 23, 2024	44,571	44,571
Warrants entitling the holder thereof to acquire one Common Share at an exercise price of $0.90 issued March 24, 2022, expiring March 24, 2024	255,000	255,000
Warrants entitling the holder thereof to acquire one Common Share at an exercise price of $0.90 issued March 24, 2022, expiring March 24, 2024	20,400	20,400
Stock Options entitling the holder thereof to acquire one Common Share at an exercise price of $2.30 issued January 6, 2021, expiring January 6, 2026	80,000	80,000
Stock Options entitling the holder thereof to acquire one Common Share at an exercise price of $1.20 issued December 9, 2021, expiring December 9, 2026	977,500	977,500
Stock Options entitling the holder thereof to acquire one Common Share at an exercise price of $1.20 issued December 9, 2021, expiring December 9, 2023	230,000	230,000
Total	**4,107,165**	**4,107,165**

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Company were indebted to the Company as of the end of the most recently completed financial year or as at the date hereof.

MANAGEMENT CONTRACTS

There are no management functions of the Company, which are to any substantial degree performed by a person or company other than the directors or executive officers of the Company.

5. The Proposed Transaction

As announced on May 18, 2023, the Company entered into a letter of intent that was replaced with a binding share purchase agreement (the "**Share Purchase Agreement**") with Agapi dated August 29, 2023, in connection with the acquisition by Cypher of all the issued and outstanding common shares (the "**Agapi Shares**") and securities convertible into Agapi Shares of Agapi (the "**Proposed Transaction**"). Completion of the Proposed Transaction would constitute a "fundamental change" of the Company under the policies of the CSE. In accordance with Policy 8 of the CSE, the Proposed Transaction is therefore subject to the approval of the CSE and the Shareholders. Further, the combined entity as it will exist following completion of the Proposed Transaction (the "**Resulting Issuer**") must meet the criteria for a new listing on the CSE. The Resulting Issuer has not yet been approved for listing by the CSE, and completion of the Proposed Transaction is subject to the receipt of such approval from the CSE. However, management of the Company expects that upon completion of the Proposed Transaction, the Resulting Issuer will meet the listing requirements for an industrial issuer under the policies of the CSE.

The Company will satisfy the purchase price for the Proposed Transaction of $5,000,000 by the issuance of 50,000,000 Shares at a deemed issue price of $0.10 per Share (the "**Purchase Price**"). Following completion of the Proposed Transaction, it is expected that existing Shareholders will hold 24% of the Resulting Issuer. See "*The Proposed Transaction*" and "*Information Concerning the Resulting Issuer*" in this Circular.

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution approving the Proposed Transaction pursuant to the terms of the Share Purchase Agreement, substantially in the form of the resolution set forth below, subject to such amendments, variations or additions as may be approved at the Meeting (the "**Proposed Transaction Resolution**"):

"**BE IT RESOLVED** that:

1. The Company be, and is hereby, authorized and directed to proceed with the proposed acquisition of Agapi Luxury Brands Inc. ("**Agapi**"), on the terms and subject to the conditions contained in the share purchase agreement dated as of August 29, 2023, between the Company and Agapi (the "**Proposed Transaction**"), all as more particularly described in the Circular of the Company dated September 29, 2023.

2. The Company be, and it is hereby, authorized to prepare and file any application for orders, consents and approvals and any other documents reasonably considered necessary under applicable laws in connection with the Proposed Transaction.

3. Notwithstanding that this resolution has been duly passed by the shareholders of the Company, the Board may determine not to proceed with the Proposed Transaction as contemplated hereby if such revocation is considered desirable by the board of directors without further approval of the shareholders of the Company.

4. Any one director or officer of the Company be, and is hereby, authorized and directed to do all such acts and things and to execute and deliver all agreements, instruments and documents as such director or officer shall deem necessary to give full force and effect to the foregoing resolutions."

It is intended that the Proposed Transaction will be completed on the terms generally described in this Circular. However, there may be circumstances, currently unforeseen by the Company, which may cause it to delay the closing of the Proposed Transaction, or to complete the Proposed Transaction on terms which vary from the terms described herein. However, any variance will not materially alter the nature of the transaction described in this Circular.

The Proposed Transaction Resolution must be approved by not less than: (i) a simple majority of the votes cast on the Proposed Transaction Resolution by Shareholders present or represented by proxy at the Meeting, with each Share entitling a Shareholder to one vote; and (ii) a simple majority of the votes cast on the Proposed Transaction Resolution by Shareholders present or represented by proxy at the Meeting (excluding Shares held by certain "related parties" and "interested parties" (as such terms are defined in MI 61-101 (as defined below)) in accordance with the requirements of MI 61-101).

The Board has concluded that the Proposed Transaction is in the best interests of the Company and its Shareholders. Accordingly, the Board recommends that Shareholders vote in favour of the Proposed Transaction Resolution. All members of the Board entitled to vote at the Meeting intend to vote their Shares in favour of the Proposed Transaction Resolution.

The Board unanimously recommends that Shareholders vote FOR the Proposed Transaction Resolution. Unless otherwise directed, it is the intention of the persons named in the accompanying Proxy to vote FOR the Proposed Transaction Resolution.

THE PROPOSED TRANSACTION

Background

Since early 2023, Agapi had been looking at possible go public transactions to facilitate its access to expansion capital. As a significant shareholder of Agapi, George Tsafalas, CEO of Cypher, became aware of these plans. After suggesting to Agapi that Cypher may be interested in acquiring Agapi, the parties began discussions around such a plan.

The Proposed Transaction is a "related party transaction" pursuant to the policies of the CSE and MI 61-101, as the Company's current President and Chief Executive Officer, George Tsafalas, is a significant shareholder of Agapi. As a result, Cypher is being represented in these negotiations by a special committee made up of the independent directors of the Company (the "**Special Committee**"). See "*Regulatory Matters*" in this Circular.

The Special Committee of Brian Keane and Harrison Ross, the Company's two independent directors, was formed on March 3, 2023 for the sole purpose of reviewing, and if thought to be in the best interest of the Company, negotiating the terms and ultimately making a recommendation to the Board to proceed or not.

After considering its independence and qualifications, the Board engaged Evans & Evans, Inc. ("**E&E**") of Vancouver, British Columbia, on March 21, 2023, to prepare an independent valuation of Agapi. See "*The Proposed Transaction – Prior Valuation*".

E&E was first contacted by the Board on March 3, 2023. By way of an engagement letter dated March 21, 2023, E&E was engaged by the Board in connection with a possible transaction involving Cypher and Agapi, to render a valuation of Agapi for the Special Committee's consideration.

On May 10, 2023, Cypher and Agapi entered into a letter of intent regarding the Proposed Transaction.

On August 29, 2023, Cypher and Agapi entered into the Share Purchase Agreement.

The Share Purchase Agreement

The Share Purchase Agreement provides for the implementation of the Proposed Transaction. The Share Purchase Agreement contains customary covenants, representations and warranties of and from each of Cypher and Agapi and various conditions precedent, both mutual and with respect to each party for an agreement of this type. Unless all such conditions are satisfied or waived by the party for whose benefit such condition exists, to the extent they may be capable of being waived, the Proposed Transaction will not proceed. **There is no assurance that the conditions will be satisfied or waived on a timely basis or at all.**

The following is a summary of certain material terms and conditions of the Share Purchase Agreement and is not comprehensive, but is qualified in its entirety by reference to the full text of the Share Purchase Agreement. The full text of the Share Purchase Agreement is attached hereto as Schedule "B" and available under the Company's profile on SEDAR at www.sedar.com. Shareholders are encouraged to read the Share Purchase Agreement in its entirety.

General

The Share Purchase Agreement between Cypher and Agapi is dated August 29, 2023. The Share Purchase Agreement provides for the Company's acquisition of all of the issued and outstanding Agapi Shares and securities convertible into Agapi Shares by the issuance of 50,000,000 Shares and comparable convertible securities taking into account the exchange ratio.

Representations and Warranties

Each of Cypher and Agapi made certain customary representations and warranties related to, among other things, their respective organization, capitalization, operations, compliance with laws and regulations and other matters, including their authority to enter into the Share Purchase Agreement and to consummate the Proposed Transaction. For the complete text of the applicable provisions, see Sections **2.13**and **2.19** of the Share Purchase Agreement attached hereto as Schedule "B".

Covenants

Agapi has agreed to conduct their businesses in the usual and ordinary course and consistent with past practices, to use their respective commercially reasonable efforts to satisfy or cause the satisfaction of the conditions precedent to their respective obligations under the Share Purchase Agreement to the extent they are within such party's control and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable under applicable laws to complete the Proposed Transaction. For the complete text of the applicable provisions, see Sections **2.6** of the Share Purchase Agreement attached hereto as Schedule "B".

Conditions to Closing

Mutual Conditions Precedent

The Share Purchase Agreement provides that the respective obligations of the parties to consummate the transactions contemplated by the Share Purchase Agreement are subject to the satisfaction, on or before the Closing Date or such other time specified, of the following conditions, each of which may only be waived by the mutual written consent of both parties:

(a) **Approval of the Exchange**

(b) **All representations and warranties are current and valid as of the Closing Date**

The foregoing conditions are for the mutual benefit of the parties and may be asserted by either party regardless of the circumstances and may be waived by any party (with respect to such party) in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights that such party may have.

Shareholder Approval

Pursuant to the policies of the CSE and Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"), the Proposed Transaction Resolution must be approved by not less than: (i) a simple majority of the votes cast on the Proposed Transaction Resolution by Shareholders present or represented by proxy at the Meeting, with each Share entitling a Shareholder to one vote; and (ii) a simple majority of the votes cast on the Proposed Transaction Resolution by Shareholders present or represented by proxy at the Meeting (excluding Shares held by certain "related parties" and "interested parties" (as such terms are defined in MI 61-101) in accordance with the requirements of MI 61-101).

It is a condition to completing the Proposed Transaction that the Proposed Transaction Resolution be approved by the Shareholders at the Meeting.

Notwithstanding the foregoing, the Proposed Transaction Resolution authorizes the Board, without further notice to or approval of the Shareholders, subject to the terms of the Share Purchase Agreement, to amend the Share Purchase Agreement or to decide not to proceed with the Proposed Transaction at any time prior to the Proposed Transaction becoming effective pursuant to the provisions of the BCBCA.

CSE Listing and Approval

Approval of the Proposed Transaction and related matters by the CSE ("**CSE Approval**"), if and when granted, will be subject to Cypher fulfilling all of the requirements of the CSE. There can be no assurance that CSE Approval will be forthcoming. The parties will not proceed with the Proposed Transaction unless the CSE Approval is obtained and unless the conditions, if any, imposed by the CSE are acceptable to the parties.

It is a condition in favour of Cypher to the completion of the Proposed Transaction that the Shares to be issued to holders of Agapi Shares who receive Shares in exchange for their Agapi Shares pursuant to the Proposed Transaction is conditionally approved for listing on the CSE. The listing of the Shares will be subject to the Resulting Issuer fulfilling all of the listing requirements of the CSE.

Other than as described above, there are no material filings, consents or approvals required to be made with, applicable to, or required to be received from any governmental authority or other regulatory body in connection with the Proposed Transaction.

Related Party Transaction

The Proposed Transaction is a "related party transaction" pursuant to the policies of the CSE and MI 61-101, as the Company's current President and Chief Executive Officer, George Tsafalas, is a significant shareholder of Agapi. As a result, Cypher is being represented in these negotiations by the Special Committee. See "*Regulatory Matters*" in this Circular.

After considering its independence and qualifications, the Board engaged E&E of Vancouver, British Columbia, on March 21, 2023, to prepare an independent valuation of Agapi.

Prior Valuation

While the Company is relying on the exemption contained in MI 61-101 section 5.5(b) to obtain an independent valuation of Agapi, the Board and Agapi agreed that one would be useful in determining valuation of the Proposed Transaction.

E&E was first contacted by the Board on March 3, 2023. By way of an engagement letter dated March 21, 2023, E&E was engaged by the Board in connection with a possible transaction involving Cypher and Agapi, to render to a valuation of Agapi for the Special Committee's consideration.

E&E is a Canadian boutique investment banking firm with offices and affiliates in Canada, the United States and Asia. They offer a range of independent and advocate services including mergers & acquisitions advice, valuation and fairness opinions, business due diligence, business planning and market research. Since 1989, E&E have worked in a broad range of sectors locally, regionally and internationally. As chartered business valuators and accredited senior appraisers, E&E is actively involved in the areas of business valuation as well as goodwill impairment testing and the allocation of goodwill and intangible assets on a firm's balance sheet. This information relating to E&E was provided by E&E directly.

E&E has reviewed the requirements of MI 61-101 regarding valuator independence. E&E has indicated that it is independent of Cypher for the purposes of MI 61-101. In particular, neither E&E, nor its principals or any of its employees, affiliates or associates: (i) is an "associated entity", "affiliated entity", or "issuer insider" of Cypher or Agapi, or any "interested party" as each such terms are used in MI 61-101; (ii) is acting as an advisor to Cypher or Agapi, or any "interested party" in respect of the Proposed Transaction, except for the provision of the valuation to the Special Committee; (iii) is a manager or co-manager or member of a soliciting dealer group for the Proposed Transaction; (iv) has a financial interest in the completion of the Proposed Transaction; or (v) has entered into any understandings, agreements or commitments with Cypher or Agapi or any "interested party", or any of their respective principals, employees, associates or affiliates with respect to any future business dealings.

During the 24-month period preceding March 3, 2023, the date on which E&E was initially contacted in respect of the Proposed Transaction, E&E was retained by Agapi to prepare an independent synthetic credit analysis report for Agapi, occurring in May 2023. The professional fees were not dependent on the conclusions reached.

E&E has confirmed that the compensation received for undertaking and preparing the valuation is in no way dependent in whole or in part on an agreement, arrangement or understanding that gives E&E a financial incentive in respect of the conclusion reached in the valuation or the outcome of the Proposed Transaction. Pursuant to the terms of the engagement letter, Cypher paid to E&E a cash engagement fee of $13,250 (plus applicable taxes thereon) upon execution of the engagement letter and was required to pay E&E a cash valuation fee of $4,000 (plus applicable taxes thereon) upon the delivery of the final valuation by E&E to the Special Committee, irrespective of the conclusions of therein. Cypher also agreed to reimburse E&E for its reasonable out-of-pocket expenses and to indemnify E&E in respect of certain liabilities which may arise in connection with the engagement.

Based on the foregoing, the Special Committee has determined that E&E is both qualified and independent as required by MI 61-101.

The Special Committee conducted due diligence inquiries of Agapi management sufficient to allow the Special Committee to conclude that the information used in the E&E valuation report was relevant and reliable.

A meeting of the Special Committee was convened after E&E delivered its written opinion, dated September 21, 2023 (the "**Prior Valuation**"), to the effect that, based upon and subject to the limitations and assumptions stated in the Prior Valuation and such other matters as E&E considered relevant: (i) E&E's Prior Valuation (which was prepared in accordance with the requirements in MI 61-101) indicated that the fair market value of the issued and outstanding Agapi Shares is in the range of $3,600,000 to $4,010,000 as at March 31, 2023. The Prior Valuation was internally reviewed as required by the standards of the Canadian Institute of Chartered Business Valuators and E&E's internal policies governing Prior valuation reports.

The Special Committee reviewed the report, and after some discussions on the applicability of some of the valuation methods used, determined that the discount for lack of marketability should be eliminated as the Proposed Transaction had been identified, and the amount of Agapi debt contemplated in the Prior Valuation had been reduced from the valuation date of March 31, 2023.. These amendments resulted in reducing the valuation range from $3,600,000 to 4,010,000 to a range of $4,135,875 to $4,591,875. The Special Committee, after some discussions with Agapi, were satisfied that the previously negotiated purchase price of $5,000,000 was fair, even at a 8.89% premium over the high end of the valuation range. Agapi's stage of development, its marketing channels, its product offering and its ability to raise funds to move the business ahead, with a relatively short window to positive cash flow were thought to be reasons for the premium to the valuation range.

Agapi management initially proposed a transaction value which was higher than the $5,000,000 which was agreed upon. During the early stages of the negotiation, it was agreed by the parties that an independent valuation engagement should be carried out to provide a basis to proceed with establishing a reasonable range to move forward with the proposed transaction. Upon receipt of the draft valuation the parties agreed that a premium to the high range of the valuation was reasonable considering the growth and demonstrated success of Agapi and that the premium of 8.89% was reasonable in the circumstances.

After taking into account the current status of the crypto currency and metaverse focus of the Company, and the general market sentiment toward these sectors, the Special Committee agreed with management that a change in focus for the Company would be in the best interest of the Company and its shareholders. There was no foreseeable impetus that would boost the Company's fortunes in its current business.

The prospects for cryptocurrency mining industry were limited due to increasing costs of power, mining hardware, decline in sentiment, and increasing regulatory costs. The special committee determined that the acquisition of Agapi presented a more favourable investment opportunity to the minority shareholders as compared to the continued participation in the crypto currency industry justified the premium.

The Special Committee determined to proceed with the Proposed Transaction as i) Agapi had successfully launched its business operations in a period of 18 months and demonstrated significant market penetration in the USA and internationally ii) With the injection of additional capital it is believed that Agapi will be in a position to further scale its operations and grow its business iii) Continuing operations in the crypto currency industry as a bitcoin miner was considered cost prohibitive due to the increasing costs of power and crypto currency mining hardware iv) Continuing operations in the crypto currency industry was considered to subject the minority shareholders to significant regulatory uncertainty.

After discussions with management and some of their own contacts, the Special Committee came to the conclusion that there was currently no other competing opportunities that should be investigated as an alternative to the Proposed Transaction. Prior to initiating the search for new business opportunities, the board reached a consensus that maintaining the status quo did not represent a viable path forward considering the financial resources available to the Company and the dramatic decline in sentiment in the crypto currency industry. The board considered alternative industries to pursue including critical metals exploration, artificial intelligence, and development stage pharmaceutical products. The transaction with Agapi represented a differentiated investment opportunity which presented a more favourable risk profile as Agapi had demonstrated an ability to sell its products at a reasonable margin thereby indicating sound growth potential.

The Special Committee agreed that the Proposed Transaction was a better route forward for the Company and it shareholders than maintaining the status quo, and therefore recommended that the Company proceed with the Proposed Transaction, subject to getting shareholder and exchange approval.

The Special Committee was cognizant of the pros and cons of the Proposed Transaction, as well as the risks outlined elsewhere in this information circular:

Pros:

- The premium wholesale cigar market was estimated to be $1.8 billion in 2022, growing at a CAGR of 7% over the last 10 years representing a large and growing market opportunity.
- Agapi successfully established business relationships with world renowned cigar blenders and launched its business in a relatively short period of time.
- There are no known companies offering investors with an opportunity to participate in the growth of the premium tobacco industry
- Offers investors with an opportunity to diversify their holdings as there are a small number of publicly traded tobacco companies.

Cons:

- Due to increasing demand for premium tobacco, Agapi may face increased costs of products or difficulty meeting growth objectives.
- As an international consumer products business, Agapi may face supply chain disruptions which may hinder the growth of its business.
- Agapi faces competition from incumbent brands which have firmly established market presence as well as from new entrants to the market.
-

Entering the tobacco industry presents the Company with a new set of risks due to the potential health effects of its products.

In rendering the Prior Valuation, E&E has relied on the accuracy and completeness of the financial and other information provided to it by Cypher and Agapi, and each of their respective affiliates, associates, advisors and representatives. E&E has assumed that the information is accurate and complete and does not contain any material omission of fact. E&E's analyses, conclusions and opinion as to value are conditional upon the accuracy and completeness of such information. E&E has not conducted an independent investigation to verify the accuracy or completeness of such information. E&E has also relied on the public information available to it from sources that E&E believes are reliable, but which it has not independently verified. Accordingly, E&E's reliance on these sources of public information is subject to the same provisos and caveats. E&E reserves the right to revise the Prior Valuation if it becomes aware after the date thereof that any of such information or other sources of public information are inaccurate, incomplete or otherwise unreliable.

The Prior Valuation was prepared solely to assist Cypher regarding the Proposed Transaction and may not be used or otherwise relied on by any other person or used for any other purpose except as expressly permitted therein without the express prior written consent of E&E.

The full text of the Prior Valuation which sets forth, among other things, the assumptions made, general procedures followed, matters considered and limitations on the review undertaken by E&E, is attached hereto as Schedule "F". This summary of the Prior Valuation is qualified in its entirety by reference to the full text of the Prior Valuation. The Board urges Shareholders to read the Prior Valuation carefully and in its entirety.

Private Placement

In connection with and as a condition to the Proposed Transaction, Agapi intends to complete an equity financing of units ("**Units**") for minimum gross proceeds of $750,000 (the "**Private Placement**"). It is expected that the issue price will be $0.12 per Unit. Each Unit will be comprised of one Agapi Share and one-half of one common share purchase warrant, each whole warrant exercisable for 24 months from the date of closing for one Agapi Share at an exercise price of $0.15 per warrant. The Units are expected to be sold to "accredited investors" and other parties pursuant to exemptions from prospectus requirements under Canadian securities laws.

The Private Placement is intended to be completed prior to or concurrently with closing of the Proposed Transaction. The net proceeds of the Private Placement will be used for working capital and general corporate purposes. The ultimate structuring of the Private Placement is subject to receipt of tax, securities law and corporate law advice.

Bridge Loan

Pursuant to the terms of the Share Purchase Agreement, Cypher has agreed to lend Agapi $600,000 by way of a secured bridge loan (the "**Bridge Loan**") at an annual interest rate of 8%. The Bridge Loan will be forgiven by Cypher upon completion of the Proposed Transaction. If the Proposed Transaction is not completed, the Bridge Loan will be repayable within six months of termination of the Share Purchase Agreement in accordance with its terms. The Bridge Loan terms are set out in a definitive loan agreement and related security documentation, which will contain terms as are customary in comparable transactions. Agapi will use the Bridge Loan for working capital and general corporate purposes.

Name Change

Following completion of the Proposed Transaction, Cypher intends to change its name from "Cypher Metaverse Inc." to "Agapi Luxury Brands Inc.".

REGULATORY MATTERS

Cypher is a reporting issuer under applicable Canadian securities legislation in British Columbia, Alberta and Ontario and is, among other things, subject to applicable securities laws, including MI 61-101. MI 61-101 is intended to regulate certain transactions to ensure the protection and fair treatment of minority securityholders.

The Proposed Transaction constitutes a "related party transaction" under MI 61-101 because Mr. Tsafalas, a director and officer of Cypher, has beneficial ownership of, or control or direction over, directly or indirectly, securities of Agapi carrying more than 10% of the voting rights attached to all of Agapi's Shares.

As at the date of the Share Purchase Agreement, Mr. Tsafalas held 13,694,702 Agapi Shares (or 24.33% of the issued and outstanding Agapi Shares) and 7,704,548 Agapi Warrants to acquire a total of 7,704,548 Agapi Shares (and therefore 15.30% of the issued and outstanding Agapi Shares on a partially diluted basis).

MI 61-101 provides that, unless an exemption is available, a reporting issuer proposing to carry out a related party transaction is required to obtain a formal valuation of the non-cash assets involved in a related party transaction from a qualified independent valuator and to provide the holders of the affected securities with a summary of such valuation. For the purposes of the Proposed Transaction, the Shares are considered "affected securities" within the meaning of MI 61-101.The Company is relying on the exemption contained in section 5.5 (b) to obtain such formal valuation. However the E&E Valuation is a prior valuation and is provided to the Shareholders as such.

MI 61-101 also requires that, in addition to any other required securityholder approval, in order to complete a related party transaction, the approval of a simple majority of the votes cast by Shareholders that are not related parties to the Proposed Transaction must be obtained. Accordingly, votes attaching to Shares that are beneficially owned or over which control or direction is exercised by Mr. Tsafalas and any "related party" of Mr. Tsafalas within the meaning of MI 61-101 (subject to the exceptions set out therein) and any person acting jointly or in concert with the foregoing in respect of the Proposed Transaction will be excluded from the "majority of the minority" vote on the Proposed Transaction Resolution at the Meeting.

As at the Record Date, to the knowledge of Cypher, Agapi and their respective directors and senior officers, after reasonable inquiry, any "related party" within the meaning of MI 61-101 (subject to the exceptions set out therein) and any joint actor with or any "related party" within the meaning of MI 61-101 (subject to the exceptions set out therein) in respect of the Proposed Transaction, owned 28,333 Shares and these are the only Shares that will be excluded from the majority of the minority vote.

The following chart indicates the holders of Shares to be excluded, together with their individual holdings as of the date hereof.

Holder		No. of Shares
George Tsafalas		28,333
	Total:	28,333

Agapi has not received any *bona fide* offer that relates to the subject matter of, or that is otherwise relevant to, the Proposed Transaction during the 24 months before the Proposed Transaction was agreed to.

RISK FACTORS

Shareholders should carefully consider the following risk factors in evaluating whether to approve the Proposed Transaction. These risk factors should be considered in conjunction with the other information included in this Circular, including the documents incorporated by reference herein. These risk factors should not be regarded as exhaustive.

Possible Failure to Complete the Proposed Transaction

The Proposed Transaction is subject to the risk that it may not be completed on the terms negotiated or at all. If the Proposed Transaction is not completed or satisfied as described in this Circular, then Cypher could suffer adverse consequences, including the loss of investor confidence.

Satisfaction of Conditions Precedent

The completion of the Proposed Transaction is subject to several conditions precedent, certain of which are outside the control of Cypher or other parties to the Share Purchase Agreement. There can be no certainty, nor can Cypher provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied.

Pursuant to the Share Purchase Agreement, Cypher and Agapi must use reasonable efforts to abide by certain covenants to complete the Proposed Transaction, which may include obtaining all necessary consents, approvals and authorizations. There can be no assurance that, in order to satisfy its obligations under the Share Purchase Agreement, Cypher will not be required to accept the inability of Agapi to complete one or more of such conditions to closing that could have a material effect on the business, operations and assets of Cypher.

Additionally, Cypher expects that the closing of the transaction contemplated by the Share Purchase Agreement will occur shortly after the Meeting. However, the transaction could close as late as the Outside Date of December 31, 2023. While during the period prior to closing, Agapi is to carry on business in the ordinary course, subject to the terms of the Share Purchase Agreement, given the potentially longer period prior to closing, there can be no assurance that the business, operations and assets of Agapi may not be adversely affected by intervening events. During the period prior to closing, Cypher will have no right to control or direct the operations of Agapi, which shall exercise complete unilateral control and supervision over its business operations, subject to the terms of the Share Purchase Agreement, and therefore, Cypher will, indirectly, be reliant on the business judgment and decisions of the board and management of Agapi prior to closing.

If the Proposed Transaction is not completed, the market price of the Shares may decline if the market has assumed that the Proposed Transaction will be completed. If the Proposed Transaction is not approved and the Board decides to seek another transformative transaction, there can be no assurance that it will be able to find a party that will agree to equivalent or more attractive terms than those of the Share Purchase Agreement.

Possible Failure to Realize Anticipated Benefits of the Proposed Transaction

After completing the Proposed Transaction, the Resulting Issuer is expected to become an industrial issuer. Achieving the benefits of the Proposed Transaction depends on the Resulting Issuer's ability to advance the development of the "Freud Cigar Co." brand and identify other growth opportunities. This requires dedicating substantial management effort, time and resources, which may divert management's focus and resources from other strategic opportunities and operational matters. This may adversely affect the Resulting Issuer's ability to achieve the anticipated benefits of the Proposed Transaction.

Market Price of the Shares

If, for any reason, the Proposed Transaction is not completed or its completion is materially delayed and/or the Share Purchase Agreement is terminated, the market price of the Shares may be materially adversely affected. Cypher's business, financial condition or results of operations could also be subject to various material adverse consequences, including that Cypher would remain liable for costs relating to the Proposed Transaction.

Unexpected Costs or Liabilities Related to the Proposed Transaction

Although Cypher conducted what it believed to be a prudent and thorough level of investigation in connection with the Proposed Transaction, an unavoidable level of risk remains regarding any undisclosed or unknown liabilities of, or issues concerning, Agapi. Following the closing of the Proposed Transaction, the Resulting Issuer may discover that it has acquired substantial undisclosed liabilities. The existence of undisclosed liabilities could have a material adverse impact on the Resulting Issuer's business, financial condition, results of operations and cash flows. In addition, the Share Purchase Agreement limits the amount for which Cypher (or the Resulting Issuer, as applicable) will be indemnified in respect of certain breaches of the Share Purchase Agreement, and Agapi may not have sufficient resources available to satisfy any claims under the indemnification provisions of the Share Purchase Agreement.

New Significant Shareholder

If the Proposed Transaction is completed, current shareholders of Agapi will hold approximately 76% of the issued and outstanding Shares, of which 27.81% will be represented by holding of David Stadnyk. His shareholding level will give him significant influence on decisions to be made by Shareholders, including the ability to influence the election of directors of the Resulting Issuer as well as the approval of future transactions requiring Shareholder approval.

There can be no Certainty that Shareholder Approval Will be Obtained

To be approved, the Proposed Transaction Resolution requires the affirmative vote of at least a majority of the votes cast by disinterested Shareholders at the Meeting, whether in person or by proxy. There can be no certainty, nor can Cypher provide any assurance, that the requisite Shareholder approval will be obtained.

The Resulting Issuer may not Meet the Listing Requirements of the CSE

There can be no assurance that the Resulting Issuer will be able to meet the CSE's initial listing requirements or that Cypher's application for listing of the Resulting Issuer will be accepted.

Effect of General Economic and Political Conditions

The Resulting Issuer's business is expected to be subject to the impact of changes in national or international economic conditions, including, but not limited to, recessionary or inflationary trends, equity market conditions, consumer credit availability, interest rates, consumers' disposable income and spending levels, job security and unemployment, and overall consumer confidence. These economic conditions may be further affected by political events throughout the world that cause disruptions in the financial markets, either directly or indirectly. Adverse economic and political developments could have a material adverse effect on the Resulting Issuer, financial condition, results of operations, and cash flows.

INFORMATION CONCERNING CYPHER METAVERSE INC.

Documents Incorporated by Reference

Information has been incorporated by reference in this Circular from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained by sending a written request to Cypher Metaverse Inc., Suite 1780, 355 Burrard Street St., Vancouver, British Columbia, V6C 2C8, Attention: George Tsafalas, President and Chief Executive Officer or Tatiana Kovaleva, Chief Financial Officer. These documents are also available on the Company's SEDAR profile at www.sedar.com. The following documents, filed by the Company with the various securities commissions or similar authorities in the provinces of Canada, are specifically incorporated by reference into and form an integral part of this Circular:

(a) the audited annual consolidated financial statements for the year ended December 31, 2022, the notes thereto and the independent auditors' report thereon;

(b) the Company's management's discussion and analysis for the year ended December 31, 2022;

(c) Interim financial statements for the period ending June 30, 2023;

(d) the Company's management's discussion and analysis for the three and six-month period ended June 30, 2023;

(e) the material change report dated April 5, 2023, relating to a non-brokered private placement of 873,999 units of Cypher for aggregate gross proceeds of $96,140; and

(f) the material change report dated January 16, 2023, relating to the cancellation of 1,287,500 Options.

(g) Material change report dated September 26, 2023 regarding the signing of a definitive agreement in respect to the acquisition of Agape Luxury Brands Inc.

A reference to this Circular also means any and all documents incorporated by reference in this Circular. Any document of the type referred to above, any material change reports (excluding confidential material change reports), any business acquisition reports, the content of any news release disclosing financial information for a period more recent than the period for which financial statements are required and certain other disclosure documents as set forth in Item 11.1 of Form 44-101F1 of National Instrument 44-101 *Short Form Prospectus Distributions* of the Canadian Securities Administrators filed by the Company with the securities commissions or similar regulatory authorities in Canada after the date of this Circular and prior to the completion of the Proposed Transaction shall be deemed to be incorporated by reference in this Circular. Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Circular, to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not constitute a part of this Circular, except as so modified or superseded. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

Name, Address and Incorporation

Cypher was incorporated on February 19, 2009, under the laws of the province of British Columbia. The Company’s Shares are listed on the CSE under the symbol “CODE”, on the OTCQB in the US under the symbol “BKLLF”, and on the Frankfurt Stock Exchange under the symbol “C5B”.

The Company’s head and registered office address is Suite 1780, 355 Burrard St., Vancouver, British Columbia, V6C 2G8.

Summary Description of Current Business

Cypher is a hands-on team of financial and technology entrepreneurs who invest early in emerging technologies. The Company operates from the understanding that technology is always evolving and identifying early opportunities for strategic investments. The Company’s mandate is to seek out and empower the innovators building tomorrow’s standards with platforms and protocols, not just products.

The Company participates in revenue-generating blockchain projects, including proof of work mining, proof of stake crypto currencies, and decentralized finance. The Company also participates in certain digital experiences, collectively referred to as “the Metaverse”, which include non-fungible token-based gaming experiences.

The Company continually explores new areas in the blockchain and digital asset industry to grow revenue and advance the adoption of digital assets. The Company plans to actively evaluate technology companies and protocols currently operating within the blockchain ecosystem, intending to acquire, invest in or build upon blockchain infrastructure technologies although if the Proposed Transaction proceeds, the luxury brand business of Agapi will be the Company’s main focus.

History

The Company was originally formed under the BCBCA as 360 Capital Financial Services Group Inc. (“**360 Capital**”) on September 30, 2013**,** by an amalgamation between Global MGA Financial Inc. and Carnelian

Strategic Capital Corp. Following the amalgamation, 360 Capital began trading on the Canadian National Stock Exchange (the "**CNSE**") on November 27, 2013, under the symbol "TSZ".

Pursuant to a plan of arrangement, 360 Capital merged with its wholly-owned subsidiaries, Atikin Investment Inc., CGSG Investment Inc. and Plenus Investment Inc., effective July 30, 2014.

On September 29, 2017, 360 Capital changed its name to "360 Blockchain Inc." ("**360 Blockchain**") and the Shares were listed on the Frankfurt Stock Exchange for trading under the trading symbol "C5B", and under the symbol "CODE" on the CNSE on October 10, 2017.

360 Blockchain changed its name to "Codebase Ventures Inc." effective February 7, 2019. The Shares were approved to trade on the OTCQB on February 28, 2019, under the symbol "BKLLF".

On June 26, 2020, the Company completed a consolidation of its Shares on the basis of one post-consolidation Share for every ten pre-consolidation Shares held (10-to-1). On March 15, 2022, the Company changed its name to "Cypher Metaverse Inc."

On December 14, 2022, the Company completed a consolidation of its Shares based on ten (10) pre-consolidation Shares for one (1) post-consolidation Share (10-to-1) (the "**Consolidation**"), which the Board approved on December 8, 2022.

Business Objectives

The Company is a hands-on team of financial and technology entrepreneurs who invest early in emerging sectors. The Company operates from the understanding that market trends are always evolving and identifying early opportunities for strategic investments. The Company's mandate is to seek out and empower the innovators who are building tomorrow's standards with platforms and protocols, not just products. During the past 12 months the Company has operated in the Crypto asset industry. In light of the increasing regulatory burden, the Company began to investigate alternative sectors for investment. The Company's objective on a go forward basis is to complete the transaction with Agapi and commence operations in the regulated tobacco industry as a purveyor of luxury cigars.

Authorized and Issued Share Capital

The authorized share capital of the Company consists of an unlimited number of Shares without par value. As at the Record Date and as at the date of this Circular, there were 15,571,906 issued and outstanding Shares. In connection with the Proposed Transaction, 50,000,000 Shares are expected to be issued.

Shareholders are entitled to one vote per Share at all meetings of Shareholders and to receive dividends if, as and when declared by the directors and, subject to the rights of holders of any Shares ranking in priority to or on a parity with the Shares, to participate ratably in any distribution of property or assets upon the liquidation, winding-up or other dissolution of the Company. The Shares carry no pre-emptive rights, conversion or exchange rights, or redemption, retraction, repurchase, sinking fund or purchase fund provisions. There are no provisions requiring a holder of Shares to contribute additional capital and no restrictions on the issuance of additional securities by the Company. There are no restrictions on the repurchase or redemption of the Shares by the Company except to the extent that any such repurchase or redemption would render the Company insolvent.

Consolidated Capitalization

Following the Consolidation occurring on December 14, 2022, approximately 14,697,906 Shares were issued and outstanding.

In connection with the Consolidation, the Company consolidated its outstanding Options and warrants on a ratio of ten (10) to one (1), with the result that each consolidated option and warrant will entitle the holder to acquire one Share at an exercise price of ten (10) times its original exercise price.

Other than the issuance of 50,000,000 Shares in connection with the Proposed Transaction and 7,500,000 Shares to be issued in respect to the Financing, no changes to the Company's share and loan capital are expected following the Proposed Transaction.

Prior Sales

The following table sets forth information in respect of issuances or purchases of Shares and securities that are convertible or exchangeable into Shares within the 12 months before the date of this Circular, including the price at which such securities have been issued, the number of securities issued, and the date on which such securities were issued:

Date of Issuance	No. and Type of Securities Issued	Price Per Security or Exercise Price, as applicable	Aggregate Issue Price	Purpose
April 4, 2023	873,999 Units	$0.11	$0.11	Working Capital

On January 13, 2023, the Company cancelled a total of 1,287,500 Options, including 377,500 to insiders, as they were no longer serving their purpose of aligning the interest of the holders with those of Shareholders.

Trading Price and Volume

Cypher Shares are listed and posted for trading on the CSE; the following table outlines the price ranges and trading volumes for the months indicated:

Period	High	Low	Volume (rounded)
July 2023	$N/A	$N/A	N/A
June 2023	$N/A	$N/A	N/A
May 2023	$0.135	$0.11	8,558
April 2023	$0.14	$0.10	2,328,460
March 2023	$0.175	$0.11	2,510,980
February 2023	$0.215	$0.18	2,945,420
January 2023	$0.235	$0.105	11,873,150
December 2022	$0.30	$0.095	5,166,070
November 2022	$0.25	$0.20	953,560
October 2022	$0.30	$0.20	1,677,890
September 2022	$0.30	$0.25	5,018,350

August 2022	$0.40	$0.30	5,217,050
July 2022	$0.40	$0.30	8,689,550
June 2022	$0.55	$0.35	4,527,480

Dividends and Distributions

As at the Record Date, the Company has not paid any dividends on the outstanding Shares. The future payment of dividends will depend upon the Company's financial requirements to fund further growth, the Company's financial condition and other factors which the Board may consider in the circumstances. It is not contemplated that any dividends will be paid in the immediate or foreseeable future.

Legal Proceedings

There are no claims, actions, proceedings or investigations pending against the Company or, to the knowledge of the Company, threatened against the Company that, individually or in the aggregate, are material to the Company. Neither the Company nor its assets and properties are subject to any outstanding judgment, order, writ, injunction or decree that has had or would be reasonably expected to have a material adverse effect on the Company.

INFORMATION CONCERNING AGAPI LUXURY BRANDS INC.

The information in this section of the Circular has been provided to the Company by Agapi and is presented on a pre-transaction basis. See "Information Concerning the Resulting Issuer" for business, financial, and share capital information regarding the Resulting Issuer.

Name, Address and Incorporation

Agapi was incorporated under the provisions of the BCBCA on June 11, 2021. On May 17, 2023, Agapi changed its name from "Agape Lifestyle Inc." to "Agapi Luxury Brands Inc.", and its registered and records office address is 20th Floor, 250 Howe Street, Vancouver, BC, V6C 3R8.

Intercorporate Relationships

Agapi has one wholly-owned subsidiary, Freud Cigars LLC, which was formed in the State of Florida on July 7, 2021. Freud Cigars LLC was incorporated for the purpose of carrying out Agapi's operations in the United States and internationally.

The following depicts the intercorporate relationships of Agapi:

Agapi Luxury Brands Inc.
(British Columbia)

↓

100%

Freud Cigars LLC
(Florida)

Summary Description of the Business

Agapi is engaged in the business of development, marketing, sales, and distribution of tobacco products. Agapi's first internally created brand and product line known as "Freud Cigar Co." are hand made in the Dominican Republic and are sold across the US to tobacco retailers and to select international distributors.

History

Agapi is a private company and was incorporated under the BCBCA on June 11, 2021.

Royalty Agreement

On August 23, 2021, as compensation for early funding, the Company granted to David Stadnyk a royalty of 6% on gross sales. Mr. Stadnyk holds that royalty in trust for himself as to 3.6% and for George Tsafalas for 2.4%. George Tsafalas is a director and the CEO of Cypher, holding 13,694,702 common shares or 24.33% of Agapi Shares prior to closing of the Proposed Transaction and 12,166,542 common shares or 16.94% subsequent to closing of the Proposed Transaction.

Principal Products and Services

Agapi develops exclusively handcrafted cigars using the finest tobacco leaves that are carefully selected and aged to perfection and artistically blended to produce an unforgettable smoking experience for the luxury consumer. Agapi has partnered with renowned industry veterans Eladio Diaz and Wieber Ventura aiming to disrupt the luxury cigar segment. Agapi currently has four product lines as described below.

SuperEgo

The name SuperEgo is inspired by Freud's model for psychoanalytic theory, namely the moral standards by which the ego operates. SuperEgo cigars are handmade in the Tabacalera William Ventura factory in Tamboril, Santiago, Dominican Republic. SuperEgo can be described as medium-bodied, with elements of cinnamon, toffee, and cedarwood. The cigars were master blended by Wieber Ventura, son of renowned Master Blender William Ventura.

Agape

In ancient Greek, Agape is the highest form of love – in this, Eladio Diaz's first blend at his new factory Tabacalera Diaz Cabrera he chose to work with Freud to create – Freud Cigars Limited Edition – Agape, a love letter to the craft. Agape is a medium-bodied cigar, with floral sensations and creamy, slightly spicy notes that moisturize the entire mouth with sensations of bitter cocoa and oak wood.

AlterEgo

AlterEgo features pelo de oro tobacco in its blend – among the rarest cigar tobaccos in the world. AlterEgo reveals the other side of Master Blender Eladio Diaz, it is the type of cigar he likes to smoke himself, hitting the sweet spot between medium and full bodied – and it is the first Tabacalera Diaz Cabrera cigar in the core collection from Freud Cigar Co.

Sigmund

Sigmud (Chapter One – The Disruptor) is the newest limited-edition cigar from Freud Cigar Co. is the first in a limited-edition series that will come out annually to commemorate Sigmund Freud's birthday on May 6th. This regal, medium body, double corona cigar stimulates all the senses, it is a complex and very well-balanced cigar without aftertaste – medium and high notes of wood, walnut and cocoa throughout.

Operations

Agapi's business model is an asset-light brand focused approach, which entails outsourcing both cigar production, distribution and sales to third parties while focusing the majority of in-house resources on building the luxury Freud brand.

By outsourcing production and keeping full-time employees to a minimum, Agapi can significantly reduce growth costs while still delivering high-quality products. This business model enables Agapi to allocate their capital towards building a strong brand identity and creating an air of exclusivity and luxury around "Freud Cigar Co." branded products. By using a lean and agile approach, Agapi can quickly adapt to changing market conditions and stay ahead of less fluid competition. In short, light-asset business models represent a clever way to quickly scale while deploying less capital.

Focusing efforts on building a luxury brand brings several advantages in the long run. Firstly, luxury brands typically have a higher profit margin due to their exclusivity and premium pricing, which can sustain the business over time. Secondly, a luxury brand serves wealthy customers who are less price-sensitive and therefore the brand is less susceptible to market downturns resulting from a decrease in consumer spending and regulatory changes that historically have made tobacco products more expensive over time.

The "Freud Cigar Co." brand will continue to differentiate itself from existing cigar brands by focusing on luxury, exclusivity, innovation and quality. It has partnered with renowned cigar makers, such as Eladio Diaz and Wieber Ventura, to produce high-end, hand-crafted cigars using the finest tobacco from around the world.

The current distribution strategy involves partnerships with exclusive cigar retailers, high-end bars and cigar lounges. Other opportunities where high-net worth individuals spend time are currently being considered such as hotels, golf courses and within the super-yacht community. Agapi may also consider selling cigars through certain regulated e-commerce platforms, offering direct-to-consumer sales, and through limited VIP subscriptions.

In terms of revenue streams, the majority of income is derived from wholesaling cigars to tobacco retailers. Agapi is also considering branded accessories and merchandise which is common with many of the premium cigar brands. The primary target market will be the US, but Agapi has already completed a soft launch in Switzerland, UK, Hong Kong, China, Serbia, Dominican Republic and Puerto Rico through distribution partners in each region. Internal market research on the US consumer has identified our ideal customer as male, affluent, and between 34-60 years of age.

As the Freud brand continues to grow and begins to establish its reputation organically, Agapi plans to switch focus on optimizing profitability. At this point in time, Freud will start to consider which key resources should be brought in-house, such as warehousing, distribution and/or sales teams. This may reduce costs and ultimately improve profitability. Additionally, exploring new cost-effective production methods may also help lower expenses while still maintaining a focus on quality. With a strong brand and a more cost-efficient business model, Agapi can continue to expand globally and invest in further growth opportunities.

In highly fragmented industries where there is a lack of traditional intellectual property, brand equity becomes the primary asset. Without the protection of patents or copyrights, competitors can easily replicate products, making it challenging to differentiate based on product features alone. In such industries, the brand's reputation, image, and associations become critical to driving consumer demand and loyalty. Agapi believes that by investing in building a strong brand identity, the "Freud Cigar Co." brand will be able to stand out in the market, capture a larger market share, and drive long-term profitability. By focusing on brand equity first and cost reduction second, Agapi hopes to establish itself as a profitable, sustainable, and luxurious business for the long term.

Market

Tobacco markets are typically segmented into manufacturing, wholesaling and tobacco retailers. Wholesalers are defined as companies that receive packaged cigars from manufacturers and then sell the goods to retailers such as specialized tobacco stores and e-commerce sites. Agapi currently operates as a wholesaler of premium/luxury cigars.

Wholesaling of cigarette and tobacco products is a massive market. Globally this market is worth $560 billion and valued at $149 billion in 2023 in the US alone (IBISWorld, 2023). While cigars are a small subset of this market, total cigar volume in 2021 was 15.3 billion units, this figure includes machine made cigars, small cigars and premium hand-rolled cigars (The Cigar Association of America, 2022). Aggregate pricing data isn't publicly available but considering a median wholesale price of $0.50 per cigar would value the total US cigar wholesale market around $7.6 billion in 2021.

The history of the US cigar market is well documented, with quality data existing back to the 1950's. The figure below illustrates that the US cigar volume has gone through significant fluctuations primarily driven by public policy and increasing regulations around tobacco products. In 2016, to the dismay of the cigar industry, the FDA gained regulatory control over all tobacco products. Despite the regulatory war on tobacco, cigars have continued to fare well when compared to other tobacco products with overall consumption currently at an all-time high. As a result of high demand, coupled with labor shortages in the industry, global supply chain issues and persistent inflation, prices for premium cigars have seen steady single digit growth over the last 5 years, with evidence the that this trend is intensifying. A recent article published in 2022, highlights how in serval markets, there was an "instant doubling" and in some cases even "tripling" in prices for premium Cuban cigars (Cigar Aficionado, 2022). Concluding that strong fundamentals remain in place for premium and luxury cigars in the near-term.

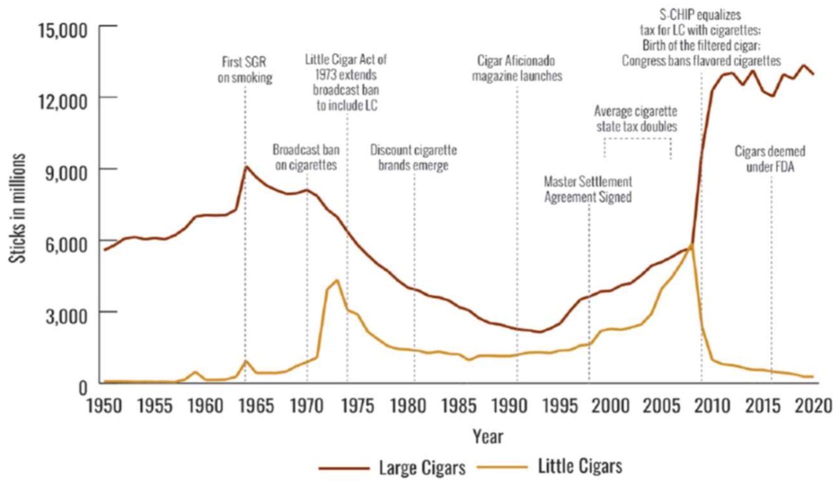
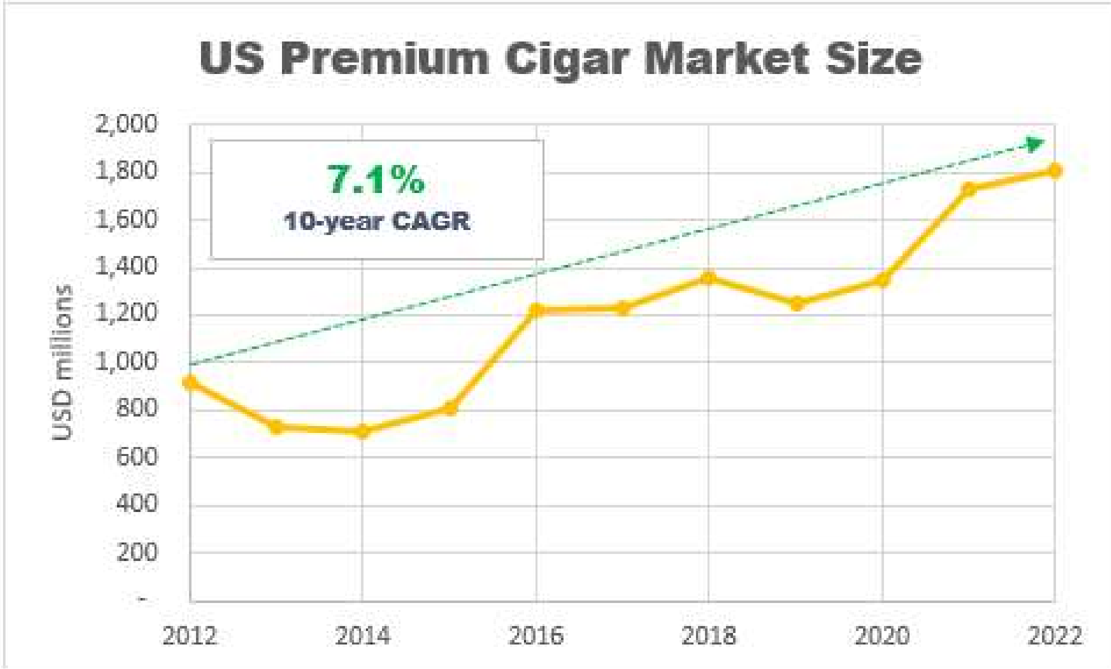


FIGURE 3-1 Consumption of little and large cigars in the United States, 1950–2020.
NOTES: For this figure, little cigars weigh less than or equal to 1.36 grams each (no more than 3 pounds per 1,000 cigars) and large cigars weigh more than 1.36 grams each. FDA = Food and Drug Administration; LC = little cigar; S-CHIP = State Children's Health Insurance Program; SGR = Surgeon General's Report.
SOURCE: Adapted from Delnevo et al., 2017b using TTB data on total taxable cigars.

Note:
(1) Figure 1 Annual sales of both little and large cigars in the US (National Academies of Sciences, Engineering, and Medicine, 2022, p. 105).

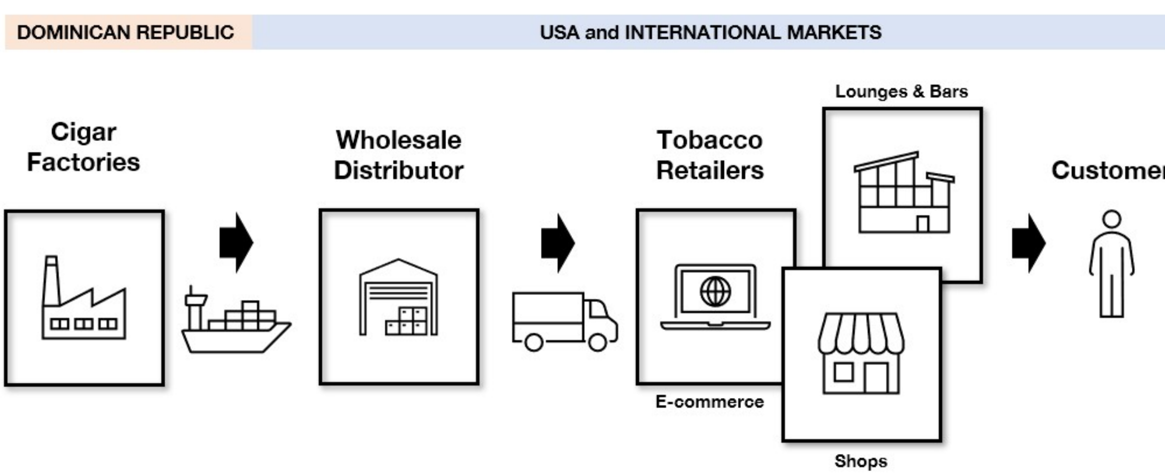
Premium cigars are defined as imported, hand-made or hand rolled cigars made with long filler, entirely natural tobacco leaf, no filters or tips and not flavoured. Comparatively Mass-market cigars are typically domestically manufactured and machine-made, using cheaper short filler that may not be 100% tobacco. Key suppliers of imported premium cigars listed by market share are Nicaragua, Dominican Republic, and Honduras, these 3 countries account for over 95% of the market for premium new world cigars. The Alcohol and Tobacco Tax and Trade Bureau (TTB) publish the monthly volumes of cigars imported into the US broken down by small cigars, large cigars and large premium cigars which can be referenced through the following link https://www.ttb.gov/tobacco/tobacco-statistics. Using the volume data from the TTB the premium wholesale cigar market is estimated at $1.8 billion in 2022, growing at a CAGR of 7% over the last 10-years, the luxury segment would be a subset of this market.



Note:
(1) Figure 2 Estimated premium cigar market size in the US. Based on a median wholesale price of $3.50 per cigar.

Marketing and Sales Plan

The below diagram illustrates how Agapi's supply chain operates in the US and International markets. Agapi uses a wholesale distributor in the US and has established relationships with six international distributors. One located in the Dominican Republic, Puerto Rico, Switzerland, UK, and one in Hong Kong who distributes throughout Hong Kong, China and Serbia. Agapi's distribution network provides access to North American, Caribbean, Europe and Asian cigar markets.



<u>US Sales and Distribution</u>

Freud cigars were first launched in the US, with first sales made to tobacco retailers in July 2022. Since commercialization, Agapi has grown the external sales team and will continue to do so as required to further penetrate new retail locations in the US.

Agapi currently uses three independent sales agents and one tobacco sales agency firm to drive sales with tobacco retailers in the US. Retailers work with the sales team to place orders, which are then fulfilled by Agapi's wholesale distributor.

Distribution points are a variety of tobacco retailers that cater to cigar enthusiasts and connoisseurs. This includes traditional brick-and-mortar locations such as cigar lounges & bars, cigar shops, smoke shops and specialty tobacco and/or alcohol retailers. These establishments offer customers a chance to explore and experience Freud cigars in a comfortable and sophisticated setting. Additionally, Agapi recognizes the importance of online commerce and have a strong presence on e-commerce sites that specialize in premium cigars and tobacco products. Through these various channels, Agapi is able to reach a wide range of premium cigars smokers in the US.

Agapi plans to expand its retail presence in existing, underdeveloped and new locations within the US. Currently 52% of Agapi's tobacco retailers are classified as cigar lounges and/or cigar friendly bars. Current data indicates there are over 2,100 cigar lounges operating in the US (IBISWorld, 2021). Agapi sees opportunity for growth in this segment and is eager to grow the number of distribution points. Cigar lounges and cigar-friendly bars are luxurious and sophisticated environments, making them the ideal distribution point for luxury cigars. These establishments attract cigar enthusiasts and connoisseurs who appreciate the experience of smoking a fine cigar in a comfortable setting. The ambiance and decor of these locations often reflect the elegance and exclusivity of the cigars being offered. Additionally, the knowledgeable and skilled staff can guide customers in selecting the right cigar to suit their taste and preferences. Concluding that cigar lounges and cigar-friendly bars provide a unique opportunity to showcase and market premium/luxury cigars.

Considering other types of retailers, there are estimated to be over 14,000 tobacco/smoke shops in the US (Shelley D. Golden, 2022, p. 80), also presenting a large opportunity for expansion in brick-and-mortar retail. However, a portion of these locations will not be suitable for a premium brand like Freud Cigars. Agapi will work closely with its sales agents to target retailers that are aligned with the brand ethos.

As Freud Cigar Co. grows its distribution network of cigar lounges, tobacco retailers and e-commerce platforms, Freud forecasts revenue growth and increased brand visibility in the US market. Agapi will work with existing sales agents and bring on additional support where needed to meet sales growth objectives.

International Sales and Distribution

International sales commenced in October 2022 and are handled internally by a consultant based in the Dominican Republic. The consultant works with international distributors to place orders for Freud cigars. The following table below summarizes international sales data.

Region	Countries Serviced	Wholesale Distributor
Asia	Hong Kong, China, Serbia	International Marketing Exchange
Europe	Switzerland	The Royal Cigar Company
Europe	UK	DP International

Caribbean	Dominican Republic	Flavorheart
Caribbean	Puerto Rico	Don Rey Cigars

Target Market

Demographic research has found that premium cigar smokers are "overwhelmingly male, older, and more affluent (i.e., higher education and income) compared to those who smoke cigarillos or little filtered cigars" (National Academies of Sciences, Engineering, and Medicine, 2022, p. 109). The data goes on to highlight that less than 1% of people surveyed who smoke premium cigars are under 18 and 97.5% of premium cigar smokers are heterosexual. Layering in further data on affluent households from the IPSOS Affluent Survey Spring 2020, the affluent target market has a median household income of $190k and a household net worth of $1.3 million.

Fusing external and internal customer market research, Agapi believes the ideal customer is a discerning and sophisticated male who values the finer things in life. He is likely between the ages of 34 and 60, he has a median household income of $190,000 and a median household net worth of $1.3 million. This customer is well-travelled, cosmopolitan, and enjoys indulging in experiences that showcase his refined taste. He values luxury brands and seeks out products and experiences that reflect his lifestyle and status. This customer seeks quality craftsmanship, exceptional service, and product exclusivity, and is willing to pay a premium price for it. His love for luxury is reflected in his choices, and he is proud to express who he is through what he has. For this customer, premium cigars are not habit, but a hobby and a reflection of a sophisticated way of life.

Advertising Strategies

Premiumization Focus and Education

"Premiumization" has been a successful advertising trend that many tobacco companies have deployed over the years (National Academies of Sciences, Engineering, and Medicine, 2022). The underlying message is that premium products are higher quality and less harmful than lower priced alternatives. While there is no data currently available that indicates premium tobacco is less harmful than lower priced tobacco, the smoking experience can be noticeably different. For example, the lowest grade leaves on the tobacco plant named 'volado' or 'sand leaves', touch the dirt and fertilizers on the ground. As the tobacco leaves are sticky and porous, they pick up the particles, aromas and potentially the even the toxins in the fertilizer, leaving an undesirable taste to the discerning smoker. True premium growers and manufactures will discard the sand leaves, creating a noticeable difference in the taste of the tobacco compared to lower priced cigars (Perdomo Cigars, 2019). Agapi currently sources tobacco from the finest producers and will continue to educate and communicate the difference to consumers through in-person interviews and relevant digital channels.

Highlight Luxury Lifestyle

The marketing research that exists on premium cigars indicates that consumers perceive premium products to be linked to rewarding experiences, exclusivity, endowed status, and/or superior craftsmanship (National Academies of Sciences, Engineering, and Medicine, 2022, p. 138). By focusing on these themes, Agapi can resonate with the subconscious desires of premium cigar smokers and drive brand awareness. The following table shows how Agapi has been working to link these associations with the Freud Cigar brand.

Perceived Association	Advertising Strategy
Exclusivity	Hosting exclusive launch events such as: http://www.cigaraficionado.com/article/freud-cigar-co-to-launch-sigmund-chapter-one-the-disruptor
Endowed Status	Limited cigar productions. Numbered cigar production. Exquisite product packaging. Affluent price points. Sigmund Freud imaging, trademarks and brand narrative.
Superior Craftsmanship	In-person attendance and brand representation from our elite master blenders at launch events, interviews and tradeshows. Marketing of master blenders reputations in all Freud PR campaigns.

On-site Promotion

The Premium Cigar Association (PCA) annual Convention & International Trade Show presents an exceptional opportunity for on-site promotion and advertising in the premium tobacco industry. As the only show of its kind, hosted by The Premium Cigar Association, the PCA is dedicated to representing and advocating for its members, with all proceeds going back into the industry. For wholesalers like Agapi, the PCA tradeshow provides unparalleled access to qualified buyers and an opportunity to showcase the company's products in an intimate environment, with retailers often placing orders directly at the show. Additionally, the majority of major media outlets and cigar influencers are in-attendance, allowing the company a valuable opportunity to network and promote products with the most important voices in the industry.

Hosting in-person events at cigar lounges, cigar friendly bars and other relevant venues is another way to promote cigars and increase Freud brand awareness. These events put Freud cigars on spotlight and allow a mix of customers to experience the unique flavors and aromas of the company's cigar blends. Events can range from simple tastings, meet the master blender events to full-blown launch parties for new products or collaborations.

Having well known master blenders attend events and associate their name with the Freud brand, highlights the commitment to quality and the company's passion for the best cigars. It provides an opportunity for customers to interact with the experts behind the brand, ask questions, and learn about the intricacies of the products. Partnering with local cigar lounges and bars provides access to their established customer base and can help expand the reach of the brand. On-site promotion provides the opportunity to market directly to the customer and the option to offer exclusive promotions during events to incentivize attendees to purchase cigars. By providing a memorable experience, the company endeavours to create a loyal customer base, validate the quality of Freud cigars and increase sales in both the short and long term through brand awareness.

Patents, Trademarks and Trade Secrets

Agapi and Freud Cigars LLC have applied for several registered trademarks related to the brand and products including Freud Cigars®, Freudian Cigars®, Sigmund Cigars®, Indulge®, Indulgence®, Indulgence by Freud Cigars®, Redefining Luxury Cigars® and Reina Cubana® which is the same name of the original Cuban brand famously smoked by Sigmund Freud. As brand equity grows these trademarks will become increasingly valuable to the business and will help to create Freud's competitive advantage.

The trade marks above have been applied for in both Canada and the United States. The US Trade Mark Office has issued notice of allowances in all cases except Indulge, which still requires publishing for opposition, and Reina Cubana which is currently suspended waiting issuance from the concurrent Canadian application. All Canadian applications are pending awaiting examination.

The origin and age of the tobacco used, along with proprietary cigar blend formulae are trade secrets which are key assets to the Company.

Competitive Landscape

The cigar market is highly fragmented, made up of 100's of companies creating a highly competitive operating environment. When it comes to premium cigars, consumers not only consider the brand but also the factory that produces them. They understand that the factory plays a crucial role in determining the quality and flavour of the cigar. From the selection of the finest tobacco leaves, to the precise rolling process, the expertise of the factory workers is integral to the creation of a premium cigar. As such, consumers seek out brands that are made in renowned factories with a reputation for excellence, knowing that this ensures a consistently high-quality smoking experience. Agapi is a wholesaler of premium/luxury hand rolled cigars from the Dominican Republic. Therefore, competitive analysis has been performed on both the companies and the respective factories that manufacture hand-rolled premium cigars in the Dominican.

Dominican Republic Cigar Factories

Cigar factories in the Dominican Republic have been segmented into the following five groups.

Large Multinationals

These factories are located in the Dominican Republic and are owned by large multinational tobacco companies with operations all over the world. These factories are the largest in the country typically employing more than 1000 employees. However, the biggest Tabaclera de Garica employees 5,700 employees and is estimated to produce more than 30 million cigars a year. This segment is vertically integrated as the companies own both the tobacco farms and factories. The table below lists the Large Multinationals along with some of their most well-known brands.

Factory Name	Year Founded	Notable Brands
Tabacalera de Garica	1971	Montecristo, Romeo y Julieta
General Cigar Dominicana	1975	Cohiba, Dunhill
Tabadom Holdings	1984	Davidoff
Arnold Andre	2011	None well known in North American markets. Majority of cigars produced are for European market.

Large Dominican Locals

This segment is made up of five large local companies, solely operating in the Dominican Republic. They manufacture a wide range of Dominican cigars, both mass market machine rolled and premium hand-rolled products. All five companies make private label and contract manufacturer for third-party brands. La Aurora, Palma and MATASA are vertically integrated owning both tobacco farm and factory. Factories in this segment employee less than 1,000 people and manufacture less than 30 million of cigars annually. The table below lists the Large Dominican Locals along with some of their most well-known brands.

Factory Name	Year Founded	Notable Brands
La Aurora	1903	La Aurora, Leon Jimenes, Falto
Tabacalera Palma	1936	La Galera, Cibao, Aging Room
Tabacalera el Artista	1956	None, primarily a contract manufacturer
Manufactura de Tabacos, S.A. (MATSA)	1974	Quesda, Casa Magna, Ferio Tego
Tabaco Flor de los Reyes	1995	Saga, Debonaire, Patoro

Iconic Premium Dominican Locals

This segment is made up of four factories, which are the most famous hand-rolled cigar factories in the Dominican Republic. These factories were typically founded by famous master blenders and elite cigar rollers such as Arturo Fuente, E.P Carrillo and Abe Flores. The reputations of these factories can be attributed to the success of several third-party manufactured cigar brands like Alec & Bradley, Ashton, Diamond Crown, God of Fire and Gurkha. The factories vary in size from 100 employees to less than 500 employees, producing less than 5 million hand-rolled cigars a year. Arturo Fuente and Tabacalera La Flor are the only companies that are vertically integrated owning both tobacco farms and factories. The table below lists the Iconic Dominican Locals along with some of their most well-known brands and the people their reputations are built off.

Factory Name	Year Founded	Reputation Based On	Notable Brands
Arturo Fuente	1912	Arturo Family	Arturo Fuente, OpusX, Diamond Crown, Ashton, Cuesta Rey
Tabacalera La Flor Dominicana	1994	Litto Gomez	La Flor Dominicana
PDR	2004	Abe Flores	Flores, El Trovador, Gurkha, Kristoff
Abacalera La Alianza	2009	E.P. Carillo	E.P. Carillo, Alec & Bradley, Four Kicks

Boutique Dominican Locals

The Dominican Republic is home to several small boutique premium cigar factories that are potentially the next iconic factories in the making. These factories are often started by experienced industry veterans who branch out later in their careers to create their own brands and unique cigars. Despite their big names and strong reputations, these factories are younger and smaller than their iconic counterparts. They employ fewer than 100 people, produce approximately 2 million cigars annually, and primarily contract manufacture for several brands to meet economic volumes. These factories are not widely known, and public information is limited as most don’t have a website. However, they are highly regarded by those in the know who seek out something new. The following list is not exhaustive but captures the majority of the better-known factories in the country.

Factory Name	Year Founded	Reputation Based On	Notable Brands
MJ Frias Cigars	1991	Not linked to specific blender	Ponce
ABAM Cigars S.R.L.	1996	Not linked to specific blender	None
Tabacalera Las Lavas	Early 2000's	Cuevas family	Casa Cuevas
Tabacalera William Ventura	2007	William Ventura	ADVentura, Caldwell, Freud
Kelner Boutique Factory	2013	Hendrik Kelner Jr.	Casdagli, Lampert
Tabacalera Diaz Cabrera	2022	Eladio Diaz	Freud

Dominican Hand-rolled Premium & Luxury Cigar Companies

The terms "premium" and "luxury" are often used interchangeably in the cigar industry and there would be much debate between industry professional as to what brands meet the luxury criteria. Broadly speaking, a premium cigar is hand-rolled and made with high-quality tobacco and crafted with care and attention to detail. These cigars may have a higher price point than some other cigars, but they are still within reach for most cigar enthusiasts.

On the other hand, a luxury cigar is often considered the pinnacle of the cigar world. These cigars are made with the finest and rarest tobacco leaves, aged for longer periods of time, and crafted by master cigar makers with years of experience. They are often packaged in elegant boxes or cases and may have a price point that is significantly higher than premium cigars. It is also common that luxury cigars are offered in limited production runs and referenced by the year they were produced.

As Freud is solely Dominican produced and positioned as a luxury brand, the following table shows the resulting competitors with similar brand positioning.

Mfg. Location	Brand	Dominican Factory	Vertical Farm	Vertical Factory	Price Range per Cigar
DR	Freud Cigar Co.	T. William Ventura & T. Diaz Cabrera	No	Third-Party	$17 to $42
DR	Davidoff	Tabadom Holding Inc.	Yes	Yes	$17 to $38
DR	Arturo Fuente	Arturo Fuente	Yes	Yes	$6 to $18
DR	OpusX	Arturo Fuente	Yes	Yes	$32
DR	God of Fire	Arturo Fuente	No	Third-Party	$23 to $30
DR	La Aurora	La Aurora	Yes	Yes	$8 to $26
DR	Puro Vintage	La Aurora	Yes	Yes	$27
DR	A.Flores	PDR	No	Yes	$20 to $26
DR	Flores y Rodriguez	PDR	No	Yes	$13

DR	Debonaire	Tobaco Flor de Reyes	Yes	Yes	$16 to $30
DR	Patoro	Tobaco Flor de Reyes	No	Third-Party	$17

Other Notable Boutique Luxury Brands

The table below lists other notable boutique luxury cigar brands from around the world that are comparable in terms of price and brand messaging to Freud Cigars. Like Freud these companies don't own the tobacco farms or the factories that produce their cigars.

Mfg. Location	Brand	Dominican Factory	Vertical Farm	Vertical Factory	Price Range per Cigar
DR	Freud Cigar Co.	T. William Ventura & T. Diaz Cabrera	No	Third-Party	$17 to $42
Not Disclosed	Meerapfel	Not Disclosed	N/A	N/A	$42 to $86
Costa Rica	El Septimo	Pure Aroma Cigars S.A.	No	Third-Party	$18 to $64
Costa Rica	Byron	Tabacos de Costa Rica	No	Third-Party	$27 to $55
Costa Rica	Atabey	Tabacos de Costa Rica	No	Third-Party	$17 to $39
Nicaragua	Foundation	Tabacalera AJ Fernandez	No	Third-Party	$12 to $33
Nicaragua	Dunbarton Tobacco & Trust	Joya de Nicaragua	No	Third-Party	$13 to $29
Nicaragua	Knuckle Sandwich	Tabacalera AJ Fernandez	No	Third-Party	$11 to $15
Mixed	Warped	Multiple	No	Third-Party	$8 to $13

Employees

As of the date of this Circular, Agapi had no employees and five independent consultant staff members.

Directors and Officers

David Stadnyk – President, and CEO (Age 60)

Mr. Stadnyk is the founder and senior partner of Stadnyk & Partners, a venture capital investment firm focused on small cap companies in the resources, biotech, and pharmaceuticals sectors, headquartered in Vancouver BC. He has over 30 years' executive experience in financing and developing both public and private companies. Mr. Stadnyk previously owned the Vancouver Whitecaps soccer club and is a co-founder of the TSN 1040 Sports Radio Station in Vancouver.

Mr. Stadnyk provides his services to Agapi as an independent contractor and devotes 60% of his time to the business of Agapi.

Michael Hopkinson – CFO (Age 50)

Michael is a US licensed CPA in the state of New Hampshire. Michael has over 25 years of US tax and public company experience. Having spent over 11 years working primarily for the accounting industry's Big

4, his experience has been extensive in the cannabis, mining, pharmaceutical and real estate business sectors. Having served as CFO or director of numerous public companies he has comprehensive experience in US-Canada cross-border tax and repatriation planning, financial statement reporting - quarterly & annual and capital financing activities. Mr. Hopkinson was previously CFO of 1933 Industries Inc. which was a licensed cannabis products company with operations located in Las Vegas, Nevada.

Mr. Hopkinson provides his services to Agapi as an independent contractor and devotes 10% of his time to the business of Agapi.

Jeffrey J. Stevens – Independent Director (Age 51)

Mr. Stevens' has held senior officer and director positions with various small-cap and micro-cap Canadian issuers. Mr. Stevens has been a director of Global UAV Technologies Ltd. (CSE:UAV), a technology company that provides products and services in the unmanned aerial vehicles space, from May 2020 to present. Mr. Stevens was previously CEO and Chairman of Graph Blockchain (CSE:GBLC), a blockchain company designing private blockchain solutions for large enterprise and government agencies, from February 2019 to January, 2020. Mr. Stevens was COO and President of Datametrex AI Ltd. (TSXV:DM), an artificial intelligence and machine learning company focused on social data discovery, from October 2016 to April 2020. Mr. Stevens was a director of New Wave Esports Corp. (CSE:NWES), an esports and competitive gaming company, from October 2019 to February 2020. Mr. Stevens was a director of Fluid Oil Limited, a company focused on providing heavy oil upgrading services, from January 2016 to August 2018. Mr. Stevens was a director of Greatbanks Resources Ltd. (currently named Goldhills Holding Ltd.), a mineral resource exploration company, from July 2015 to April 2017.

Mr. Stevens holds a Bachelor of Arts degree from University of Toronto. To the best of Mr. Stevens' knowledge, (i) at the time of his involvement with his previous roles, none of such companies were affiliates of Agapi, and (ii) as of the date hereof, all of such companies are still carrying on their respective businesses. Mr. Stevens brings over 20 years of professional experience in the Canadian capital markets with a focus on capital raising for micro-cap and small-cap companies in Canada. Through his board and management experience he has an in-depth understanding of corporate governance practices and corporate risk management as it relates to operation and capital stewardship of small-cap public companies in Canada. Through the course of his career, he was the head of two sales and trading desks and was instrumental in building the Canadian operations for a US-based investment bank in Toronto.

Mr. Stevens provides his services to Agapi as an independent contractor and devotes 5% of his time to the business of Agapi.

Brian Keane – Independent Director (Age 46)

Mr. Keane has over 18 years of capital markets, investing and C-level consulting experience in emerging growth companies in the US, Caribbean and Asia. His previous experience includes acting as an investment banker with each of Rodman & Renshaw, LLC, Ladenburg Thalmann & Co., TechVest and Qualified Capital where he focused on life science, biotech, mining and emerging growth companies. He earned a BS from the University of Scranton and a JD from New York Law School.

Mr. Keane provides his services to Agapi as an independent contractor and devotes 5% of his time to the business of Agapi.

Cease Trade Orders

Except as set out below, no director or executive officer of Agapi is or has been, within the ten years preceding the date of this Circular, a director, chief executive officer or chief financial officer of any company that:

(a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

For the purposes of this Circular, an "order" means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to an exemption under securities legislation, and such order was in effect for a period of more than 30 consecutive days.

Mr. Keane became an officer and director of Callitas Health Inc. while it was already subject to a cease trade order dated July 9, 2019, for failure to file financial statements. That cease trade order is ongoing.

Bankruptcies

To the knowledge of Agapi, no director or executive officer of Agapi (nor any personal holding company of any of such persons), or shareholder holding a sufficient number of securities of Agapi to affect materially the control of Agapi:

(a) is, as of the date of this Circular, or has been within the 10 years before the date of this Circular, a director or executive officer of any company (including Agapi) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Penalties or Sanctions

To the knowledge of Agapi, no director or executive officer of Agapi (nor any personal holding company of any of such persons), or shareholder holding a sufficient number of securities of Agapi to affect materially the control of Agapi, has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

There are no existing material conflicts of interest between Agapi and any director or officer of Agapi. Directors and officers of Agapi may serve as directors and/or officers of other companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which Agapi may participate, certain directors of Agapi may have a conflict of interest in negotiating and conducting terms in respect of any transaction involving such companies. In the event that such conflict of interest arises at a meeting of the board, a director who has such a conflict is required to disclose such conflict and abstain from voting for or against the approval of such transaction.

The information as to ownership of securities of Agapi, corporate cease trade orders or bankruptcies, penalties or sanctions, personal bankruptcies or insolvencies and existing or potential conflicts of interest has been provided by each insider of Agapi individually in respect of himself or herself.

Executive Compensation

Employment, Consulting, and Management Agreements

<u>David Stadnyk –President and CEO (Age 60)</u>

On July 10, 2023, Agapi entered into a formal consulting agreement with Mr. Stadnyk, pursuant to which he was engaged as President and Chief Executive Officer (the "**CEO Agreement**"). Pursuant to the CEO Agreement, Mr. Stadnyk's compensation is $7,500 per month. The CEO Agreement, which has a term of one year, provides for termination upon 30 days' written notice by Mr. Stadnyk and 90 days' written notice for Agapi or payment in lieu of notice; it does not contain any change of control provisions. Mr. Stadnyk has not entered into a non-competition agreement with Agapi but has entered into a non-disclosure agreement with Agapi. Mr. Stadnyk is an independent contractor of Agapi. Mr. Stadnyk also receives 3.6% royalty of the gross revenue of Agapi.

<u>Jeffrey J. Stevens – Director (Age 51)</u>

On Closing, Agapi will enter into a standard indemnity agreement with Mr. Stevens in respect to his position as a director of the Company. Pursuant to the agreement, Mr. Stevens's compensation is $1,500 per quarter. The agreement does not contain any change of control provisions. Mr. Stevens has not entered into a non-competition agreement with Agapi but has entered into a non-disclosure agreement with Agapi.

<u>Brian Keane – Director (Age 46)</u>

On Closing, Agapi will enter into a standard indemnity agreement with Mr. Keane in respect to his position as a director of the Company. Pursuant to the agreement, Mr. Keane's compensation is $1,500 per quarter.. The agreement does not contain any change of control provisions. Mr. Keane has not entered into a non-competition agreement with Agapi but has entered into a non-disclosure agreement with Agapi.

<u>Michael Hopkinson – CFO (Age 50)</u>

On July 10, 2023, Agapi entered into a consulting agreement with Michael Hopkinson pursuant to which he was engaged as Chief Financial Officer (the "**CFO Agreement**"). Under the CFO Agreement, Mr.

Hopkinson shall receive a base payment of $1,500 per month and be reimbursed for reasonable out-of-pocket expenses incurred by him in connection with providing services to Agapi. The CFO Agreement will expire on July 10, 2024, or by 30 days' notice by Mr. Hopkinson or 30 days' notice by Agapi. The CFO Agreement does not contain any change of control provisions. Mr. Hopkinson has not entered into a non-competition agreement with Agapi but has entered into a non-disclosure agreement with Agapi. Mr. Hopkinson is an independent contractor of Agapi.

Oversight and Description of Director and NEO Compensation

The objectives of Agapi's compensation policies and procedures are to align the interests of the directors and NEOs with the interests of Agapi's shareholders. Agapi intends to rely on board discussion without a formal agenda for objectives, criteria and analysis, when determining compensation for its directors and NEOs. Compensation is not tied to performance criteria or goals such as milestones, agreements or transactions, and Agapi does not use a "peer group" to determine compensation.

At present, the board does not have a compensation committee or a nominating committee. As such, all tasks related to developing and monitoring Agapi's approach with respect to the compensation of the directors and NEOs of Agapi and to developing and monitoring Agapi's approach to the nomination of directors to the board are performed by the members of the board. Compensation for Agapi's directors and NEOs is reviewed, recommended and approved by the board as a whole, including the independent directors. Agapi may form a compensation committee that will oversee compensation matters and may form a nomination committee to oversee the nomination of directors in the future.

Pension Plan Benefits

Agapi does not have a pension plan that provides for payments or benefits to directors or NEOs at, following, or in connection with retirement.

Compensation Discussion and Analysis

Agapi's executive compensation program during the most recently completed financial year ended June 30, 2022, was administered by Agapi's sole director. The sole director was responsible for determining the compensation to be paid to Agapi's executive officers and evaluating their performance. Agapi has not adopted any specific policies or objective for determining the amount or extent of compensation for directors or officers. The sole director has not established a compensation committee.

Pursuant to Form 51-102F6V *Statement of Executive Compensation – Venture Issuers*, a "Named Executive Officer" or "NEO" means each of the following individuals:

(a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as Chief Executive Officer, including an individual performing functions similar to a chief executive officer;

(b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as Chief Financial Officer, including an individual performing functions similar to a chief financial officer;

(c) in respect of the Company, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than $150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V *Statement of Executive Compensation – Venture Issuers*, for that financial year; and

(d) each individual who would be a Named Executive Officer under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year.

This section is intended to communicate the anticipated compensation to be provided to our directors and each executive officer who meets the definition of an NEO once we become a reporting issuer.

For the purposes of this section, Agapi's NEOs are as follows:

- David Stadnyk – Director and CEO; and
- Michael Hopkinson – CFO.

Agapi operates in an emerging industry and rapidly evolving market. To succeed in this environment and to achieve its business and financial objectives, it needs to attract, retain and motivate a highly talented team of executive officers.

Agapi's executive officer compensation program is designed to achieve the following objectives: (i) provide market-competitive compensation opportunities to attract and retain talented, high-performing and experienced executive officers, whose knowledge, skills and performance are critical to its success; (ii) motivate the executive officers to achieve the Company's business and financial objectives; and (iii) align the interests of the executive officers with those of the Company's shareholders by tying a meaningful portion of compensation directly to the long-term value and growth of the business.

Agapi offers its executive officers cash compensation in the form of base salary or consulting fees and equity-based compensation. It provides base salary or consulting fees to compensate its consultants for their day-to-day responsibilities, at levels that it believes are necessary to attract and retain executive officer talent. In addition, Agapi believes that equity-based compensation awards motivate its executive officers to achieve its business and financial objectives, and align their interests with the long-term interests of its shareholders. See "*Executive Compensation - Option Plans and Other Incentive Plans*".

As the Company transitions from being a privately-held company to a publicly traded company, it will continue to evaluate its compensation philosophy and compensation program as circumstances require and plans to review compensation on an annual basis. As part of this review process, its expects to be guided by the philosophy and objectives outlined above, as well as other factors that may become relevant, such as the cost if we were required to find a replacement for a key employee.

Compensation Excluding Compensation Securities

The following table sets forth information about compensation, other than compensation securities, expected to be paid to, or earned by, Agapi's directors and NEOs for the 12 months following the date on which it becomes a reporting issuer.

Name and Position	Year	Salary, Consulting Fee, Retainer or Commission	Bonus ($)	Committee or Meeting Fees ($)	Value of Perquisites[(1)] ($)	Value of all other Compensation ($)	Total Compensation ($)

		($)					
David Stadnyk *President, CEO, Director*	2022	84,000	Nil	Nil	Nil	Nil	84,000
Michael Hopkinson *CFO*	2022	18,000	Nil	Nil	Nil	Nil	18,000
Jeffrey J. Stevens *Director*	2022	6,000	Nil	Nil	Nil	Nil	6,000
Brian Keane *Director*	2022	6,000	Nil	Nil	Nil	Nil	6,000

Notes:

(1) The value of perquisites and benefits, if any, for each NEO or director was less than (a) $15,000, if the NEO or director's total salary for the financial year was $150,000 or less; (b) 10% of the NEO or director's salary for the financial year, if the NEO or director's total salary for the financial year was greater than $150,000 but less than $500,000; or (c) $50,000, if the NEO or director's total salary for the financial year was $500,000 or greater.

Stock Options and Other Compensation Securities

The following table sets forth all compensation securities expected to be granted or issued to Agapi's directors and NEOs for the 12 months following the date on which it becomes a reporting issuer.

Compensation Securities

Name and principal position	Type of compensation security	No. of compensation securities, number of underlying securities and percentage of class(1)(2)	Date of issue or grant	Issue, conversion or exercise price ($)	Closing price of security or underlying security on date of grant ($)	Closing price of security or underlying security at year end ($)	Expiry date
David Stadnyk *CEO, Director*	Options	Nil	N/A	N/A	N/A	N/A	N/A
Michael Hopkinson *CFO*	Options	Nil	N/A	N/A	N/A	N/A	N/A
Jeffrey J. Stevens *Director*	Options	Nil	N/A	N/A	N/A	N/A	N/A
Brian Keane *Director*	Options	Nil	N/A	N/A	N/A	N/A	N/A

Indebtedness of Directors and Officers

No director, executive officer, employee or former director, executive officer or employee of Agapi nor any of their associates or affiliates, is, or has been at any time since the beginning of the last completed financial year, indebted to Agapi nor has any such person been indebted to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding, provided by Agapi.

Principal Securityholders

To the knowledge of Agapi's directors and officers, as of the date of this Circular, no person beneficially owns or exercises control or direction over Agapi Shares carrying more than 10% of the votes attached to Agapi's Shares except for the following:

Principal Securityholder	No. of Shares Beneficially Owned Directly or over which Control of Direction is Exercised	Percentage of Shares[(1)]
David Stadnyk	22,251,121	39.54%
George Tsafalas	13,694,702	24.33%

Strategic Relationships

Advisors

Luis Torres

Luis Torres is an experienced executive in the cigar industry. Over the course of his career, he has led architecture, national operations, and growth strategy for some of the most prominent luxury cigar brands, spanning roles such as General Manager of Davidoff of Geneva's US flagship store on Madison Avenue, National Director of Retail for Davidoff of Geneva, and CEO of the largest luxury cigar retail chain, Casa de Montecristo. Luis has been responsible for building the strategic relationships with renowned master blenders and their respective factories in the Dominican Republic.

Mr. Torres's ability to establish strong relationships with journalists, bloggers, and influencers has helped him secure media placements in top-tier publications, such as Cigar Aficionado and Cigar Coop to name a few. Throughout his career, Luis has demonstrated his expertise in creating engaging content and messaging that resonates with luxury audiences, resulting in increased customer loyalty and brand advocacy.

Emmanuel Diaz

Emmanuel started his career in the cigar industry as a Cigar Ambassador in Shanghai, China in 2012. As a Marketing Manager, he was responsible for managing events and activities in six cigar lounges across Shanghai and Beijing. His work involved introducing new Cuban cigar releases, promoting cigar smoking options and accessories, and creating promotions for Chinese and foreign customers. Since returning to the Dominican Republic, Emmanuel has worked for two of the biggest names in the industry. He spent two years as Marketing Coordinator with La Aurora and most recently was the Marketing Director for Tabacalera La Alianza. Emmanuel is based in the Dominican Republic helping to bridge operations between the US.

Manufacturing

Tabacalera William Ventura – Dominican Republic

William Ventura was the Head of Production, Head of Quality Control, Chief of Factory, and a designated grandmaster in rolling cigars as a torcedor in his nearly 21 years at Davidoff of Geneva. During his tenure, he worked with luminaries such as Zino Davidoff and Eladio Diaz to help create and maintain some of the world's finest blends and cigars. In the past decade, he founded Tabacalera William Ventura with his two sons, providing white label cigars for highly successful boutique houses. Tabacalera William Ventura is undoubtedly one of the premier boutique cigar factories in the Dominican Republic. The company has gained notoriety for producing the cigars for successful premium cigar companies like Caldwell and Room 101.

To date, Tabacalera William Ventura has produced Freud Cigars' SuperEgo cigars.

Tabacalera Diaz Cabrera – Dominican Republic

Eladio Diaz is among the elite in tobacco blenders on earth. He spent over 40 years at Davidoff of Geneva, most recently as Head of Production and Quality Control. He left Davidoff to launch his own factory in January 2022. Agape, Diaz's limited-edition blend for Freud Cigars, is his first cigar following his departure from Davidoff of Geneva and the first cigar produced by his new workshop to hit the market. He attended the 2022 Premium Cigar Association Annual Convention in Las Vegas in tandem with Freud Cigars to represent the brand. Eladio has also attended an in-person product launches, associating his personal reputation with the Freud brand.

To date, Tabacalera Diaz Cabrera has produced Freud Cigars' Agape, AlterEgo and Disruptor cigars.

Importation, Distribution and Fulfilment

Illusione – Nevada, US

Fumare Internationale dba Illusione Cigars ("**Illusione**") is a specialty tobacco retailer in Reno, NV and third-party importation, distribution and fulfilment service provider in the United States. Freud cigars are imported directly from Dominican Republic and arrive at the Illusione warehouse in Reno, NV. Illusione currently handles all Freud Cigar Co. order fulfilment throughout the US.

Sales

Impact Force – Michigan, US

Impact Force is a tobacco and cigar brokerage and consulting firm that Freud has partnered with to further drive US sales growth. The firm brings a wealth of industry experience and cigar market knowledge that will help Freud grow its US sales and penetrate new retailers. Impact Force will primarily focus on the mid-west where it's based, but its network further extends into the US.

Authorized and Issued Share Capital

The authorized capital of Agapi consists of an unlimited amount of Agapi Shares without par value, of which 56,280,174 Agapi Shares are issued and outstanding as at the date of this Circular. The holders of Agapi Shares are entitled to receive notice of and to attend and vote at all meetings of the shareholders of Agapi and each Agapi Share shall confer the right to one vote in person or by proxy at all meetings of the shareholders. The holders of Agapi Shares are entitled to receive such dividends in any financial year as Agapi's board of directors may determine by resolution.

Consolidated Capitalization

The following table summarizes changes to Agapi's capitalization as at March 31, 2023, as of the date of this Circular, and following completion of the Offering and the Conversion:

	As at March 31, 2023	As at the Date Hereof	After giving effect to Offering and Conversion
Agapi Shares	29,787,501	56,280,174	71,821,906
Warrants	51,956,250	80,143,608	681,075,569

Prior Sales

The following table sets forth information in respect of issuances or purchases of Agapi Shares and securities that are convertible or exchangeable into Agapi Shares within the 12 months before the date of this Circular, including the price at which such securities have been issued, the number of securities issued, and the date on which such securities were issued:

Date of Issuance	Price per Security	Shares or Units Issued	Warrants Issued	Nature of Issuance and Notes
August 5, 2022	$0.10	125,000	62,500	(1) Private placement of Units comprised of one common Share and one-half common share purchase warrant (2) The warrants expire August 5, 2024, and each full Warrant is exercisable at a price of $0.20 per warrant
August 5, 2022	$0.25	50,000	25,000	(1) Private placement of Units comprised of one common Share and one-half common share purchase Warrant (2) The warrants expire August 5, 2024, and each full Warrant is exercisable at a price of $0.50 per warrant (Amended to $0.17 May 31, 2023)
August 5, 2022	$25,000	4.7	-	(1) Private placement of Convertible Debenture Units (2) Each Convertible Debenture Unit is convertible into Units at a price of $0.025 per Unit. Each Conversion Unit shall consist of one common share and one share purchase warrant exercisable at a price of $0.05 for a period of two years. On August 31, 2023, the Company entered an Amending Agreement whereby the parties revoked the debenture conversions cancelling a total of 3,434,959. The former debenture balance plus accrued interest was replaced with two year 10% promissory notes in the amount of $85,874.
November 21, 2022	$0.10	62,500	31,250	(1) Private placement of Units comprised of one common Share and one-half common share purchase warrant (2) The warrants expire November 21, 2024, and each full warrant is exercisable at a price of $0.20 per warrant
November 21, 2022	$0.25	25,000	12,500	(1) Private placement of Units comprised of one common share and one-half common share purchase warrant

				(2) The warrants expire November 21, 2024, and each full Warrant is exercisable at a price of $0.50 per warrant (Amended to $0.17 May 31, 2023)
November 21, 2022	$25,500	0.5	-	(1) Private placement of Convertible Debenture Units (2) Each Convertible Debenture Unit is convertible into Units at a price of $0.025 per Unit. Each Conversion Unit shall consist of one common share and one share purchase warrant exercisable at a price of $0.05 for a period of two years.
December 1, 2022	$0.20	1,125,000	1,125,000	(1) Private placement of Units comprised of one common share and one common share purchase warrant (2) The Warrants expire December 1, 2024, and each full warrant is exercisable at a price of $0.40 per warrant (Amended to $0.13 on May 31, 2023)
April 30, 2023	$0.025	29,397,317	29,397,317	(1) Conversion of Convertible Debenture Units into units comprised of one common share and one common share purchase warrant (2) The warrants expire April 30, 2025, and each warrant is exercisable at a price of $0.05 per warrant
May 8, 2023	$0.10	3,419,630	-	(1) Common shares issued as consideration for debt settlement agreements
May 10, 2023	$0.08333	400,000	200,000	(1) Amendment of Subscription Agreement for Units comprised of one common share and on half common share purchase warrant (2) The warrants expire March 31, 2024, and each warrant is exercisable at a price of $0.17 per warrant
May 10, 2023	$0.08333	400,000	200,000	(1) Amendment of Subscription Agreement for Units comprised of one common share and on half common share purchase warrant (2) The warrants expire February 22, 2024, and each warrant is exercisable at a price of $0.17 per warrant
May 10, 2023	$0.08333	100,000	50,000	(1) Amendment of Subscription Agreement for Units comprised of one common share and on half common share purchase warrant (2) The warrants expire August 5, 2024, and each warrant is exercisable at a price of $0.17 per warrant
May 10, 2023	$0.08333	50,000	25,000	(1) Amendment of Subscription Agreement for Units comprised of one common share and on half common share purchase warrant (2) The warrants expire November 21, 2024, and each warrant is exercisable at a price of $0.17 per warrant
May 10, 2023	$0.06667	1,750,000	1,750,000	(1) Amendment of Subscription Agreement for Units comprised of one common share and on half common share purchase warrant (2) The warrants expire December 1, 2024, and each warrant is exercisable at a price of $0.13 per warrant

Dividends and Distributions

Agapi has never declared, nor paid, any dividends since its incorporation and has no current plans to pay dividends in the near future since all available funds will be used to operate the business. Any future payment of dividends will depend on the financing requirements and financial condition of Agapi and other factors that the board, in its sole discretion, may consider appropriate and in the best interests of Agapi.

Under the BCBCA, Agapi is prohibited from declaring or paying dividends if there are reasonable grounds for believing that Agapi is insolvent, or the payment of dividends would render Agapi insolvent.

Legal Proceedings

There are no claims, actions, proceedings or investigations pending against Agapi or, to the knowledge of Agapi, threatened against Agapi that, individually or in the aggregate, are material to Agapi. Neither Agapi nor its assets and properties are subject to any outstanding judgment, order, writ, injunction or decree that has had or would be reasonably expected to have a material adverse effect on Agapi.

There were no: (i) penalties or sanctions imposed against Agapi by a court relating to provincial and territorial securities legislation or by a securities regulatory authority since incorporation on June 11, 2021; (ii) other penalties or sanctions imposed by a court or regulatory body against Agapi that it believes must be disclosed for this Prospectus to contain full, true and plain disclosure of all material facts relating to the Agapi Shares; or (iii) settlement agreements Agapi entered into before a court relating to provincial and territorial securities legislation or with a securities regulatory authority since incorporation on June 11, 2021.

Financial Disclosure

Please see the financial statements attached hereto as Schedule “C” and the management’s discussion and analysis related thereto attached hereto as Schedule “D”

INFORMATION CONCERNING THE RESULTING ISSUER

The information in this section of the Circular has been presented for the Company on a post-Proposed Transaction basis, and assumes completion of the Proposed Transaction, Private Placement, Bridge Loan and other transactions contemplated by the Share Purchase Agreement.

Name, Address and Incorporation

The Resulting Issuer will be the Company after its acquisition of all of the outstanding shares of Agapi, which will result in Agapi being a wholly owned subsidiary of the Company. The Company will then amalgamate with its wholly owned subsidiary and change the Resulting Issuer’s name to “Agapi Luxury Brands Inc.” or such other name as the directors may determine and is acceptable to the CSE, and the Resulting Issuer’s shares will be listed on the CSE.

Following the Proposed Transaction, the Resulting Issuer’s head and registered office address will be Suite 1780, 355 Burrard St., Vancouver, British Columbia, V6C 2G8.

Intercorporate Relationships

Immediately upon completion of the Proposed Transaction, Agapi will be a wholly-owned subsidiary of the Company.

Summary Description of the Business

Upon completion of the Proposed Transaction, the Resulting Issuer will be a junior industrial issuer, and its main operating activity will be the creation and development of luxury cigars, maintaining the brand “Freud Cigar Co.”

The name of the Resulting Issuer shall be “Agapi Luxury Brands Inc.”, or such other name as the directors may determine and is acceptable to the CSE.

The Resulting Issuer anticipates that the focus on luxury, exclusivity, and innovation, combined with the credible partnerships formed, will capture a significant share of the premium/luxury cigar market in the US and internationally. The commitment to quality and craftsmanship will appeal to a discerning audience, and Freud Cigars anticipate strong sales growth as this reputation grows within the industry.

The Resulting Issuer will look to liquidate its current NFT’s and crypto currency when market conditions improve.

Available Funds, Principal Purposes, Business Objectives and Milestones

Agapi has commenced commercial operations; however, revenues have not yet reached a scale sufficient to generate positive cash flows from its operations. Agapi is in the early stages of development and continues to progress its business strategy. The estimated working capital of the Resulting Issuer as of the last completed month, being August 31, 2023 (unaudited) is approximately $563,000. As of August 31, 2023, Cypher Metaverse had a working capital of approximately $594,000 and Agapi had a working capital deficiency of $31,000. Concurrent with the closing of the Proposed Transaction, Agapi intends to complete a non-brokered private placement of 6,250,000 Subscription Receipts at $0.12 per Subscription Receipt (the “Concurrent Financing”) raising gross proceeds of $750,000. Immediately prior to closing of the Proposed Transaction each Subscription Receipt shall be converted into one common share and one half of one common share purchase warrant of the resulting issuer. Each full share purchase warrant shall be exercisable at a price of $0.15 for a period of two years from closing. Finder’s fees of 8% cash and 8% payable in warrants may be paid to eligible finders. Assuming completion of the $750,000 concurrent financing ($690,000 net of 8% cash commission of $60,000), total available funds to the Resulting Issuer as of the date hereof is therefore $1,253,000.

Principal Purpose	Available Funds ($)
Product marketing and brand awareness	$145,000
Operational expansion and asset acquisition	$266,250
General and administrative expenses	$820,400
Unallocated working capital	$21,350
Available Funds:	$1,253,000

The Resulting Issuer expects to incur approximately $820,400 in general and administrative costs over the next 12 months from the date of the Listing Statement. A breakdown of the estimated general and administrative costs for that period is as follows:

Description		Annual Amount ($)
Accounting and audit fees		$60,000
Legal fees		$110,000
Transfer agent and regulatory filing fees		$24,000
Office expenses		$80,000
Operations (warehousing and shipping)		$50,000
Management and consulting fees		$386,400
Investor communications and public relations		$110,000
	Total:	$820,400

Asset Acquisition

The Resulting Issuer's proposed expansion plans contemplate spending an aggregate of approximately $251,250 on the purchase of product inventory, as described in further detail in the table below over the following 12 months.

Item	Description	Units (Boxes)	Rate ($)	Amount ($)
SE23	SuperEgo - 2023	2,310	$29	$67,000
AG23	AlterEgo - 2023	2,310	$29	$67,000
HC23	Half Chicken - 2023	3,908	$30	$117,250
Total:		8,529		$251,250

Negative Operating Cash Flow

Since incorporation, both Cypher and Agapi have had negative operating cash flow and incurred significant losses. The Resulting Issuer's negative operating cash flow and losses are expected to continue for the foreseeable future. The Resulting Issuer cannot predict when it will reach positive operating cash flow, if ever. Due to the expected continuation of negative operating cash flow, the Resulting Issuer will be reliant on future financings in order to meet its cash needs. There is no assurance that such future financings will be available on acceptable terms or at all. See "*Risk Factors*".

Business Objectives and Milestones

In the 12 months following the date of this Circular, the Resulting Issuer intends to pursue the following business objectives using the available funds:

- enhanced product marketing and brand awareness;
- operational expansion and asset acquisition (acquisition of additional cigar inventory).

Business Objectives and Milestones	Anticipated Time Period	Anticipated Amount Allocated for the Change of Business (CAD$)
Product Marketing and Brand Awareness: • Engage social media influencers on a contractual		

Business Objectives and Milestones	Anticipated Time Period	Anticipated Amount Allocated for the Change of Business (CAD$)
basis to build social media following and enhance brand awareness;	2-4 months	$55,000
• Engagement of advertising agencies to solidify brand identifiers through development of impactful digital marketing and communications materials; and	1-4 months	$65,000
• Develop and launch revised consumer facing website to enable enhanced online experience.	1-3 months	$25,000
Total:		$145,000
Operational Expansion and Asset Acquisition:		
• Trademark registration; and	12 months	$15,000
• Asset Acquisition: Cigar inventory.	3-9 months	$251,250
Total:		$266,250
Total for all business objectives and milestones:		$411,250

The Resulting Issuer intends to spend the funds available to it as stated in this Circular. However, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary.

Effect of the Proposed Transaction on the Resulting Issuer's Share Structure

In connection with the Proposed Transaction, 50,000,000 Shares will be issued to Agapi shareholders. Upon completion of the Proposed Transaction, it is expected that the shareholdings of the Resulting Issuer will be as follows:

Shareholder Group	Percentage of Ownership	No. of Shares
Cypher Metaverse Inc. – Current Shareholders	21%	15,571,906
Agapi Luxury Brands Inc. – Current Shareholders	68%	50,000,000
Agapi Luxury Brands Inc. – Upon concurrent financing	10%	7,500,000
Resulting Issuer	100%	73,071,906

Fully Diluted Share Capital Table:

Security	Cypher Metaverse Inc	Agapi Luxury Brands Inc	Resulting Issuer
Common shares	15,571,906	56,280,174	65,571,906
Warrants entitling the holder thereof to acquire one Common Share at an exercise price of $10.00 issued September 24, 2021, expiring September 24, 2023	607,500	-	607,500

Security	Cypher Metaverse Inc	Agapi Luxury Brands Inc	Resulting Issuer
Warrants entitling the holder thereof to acquire one Common Share at an exercise price of $5.00 issued September 24, 2021, expiring September 24, 2023	20,800	-	20,800
Warrants entitling the holder thereof to acquire one Common Share at an exercise price of $1.05 issued October 4, 2021, expiring October 4, 2023	128,000	-	128,000
Warrants entitling the holder thereof to acquire one Common Share at an exercise price of $1.05 issued October 4, 2021, expiring October 4, 2023	6,400	-	6,400
Warrants entitling the holder thereof to acquire one Common Share at an exercise price of $0.90 issued February 23, 2022, expiring February 23, 2024	1,320,000	-	1,320,000
Warrants entitling the holder thereof to acquire one Common Share at an exercise price of $0.90 issued February 23, 2024, expiring February 23, 2024	44,571	-	44,571
Warrants entitling the holder thereof to acquire one Common Share at an exercise price of $0.90 issued March 24, 2022, expiring March 24, 2024	255,000	-	255,000
Warrants entitling the holder thereof to acquire one Common Share at an exercise price of $0.90 issued March 24, 2022, expiring March 24, 2024	20,400	-	20,400
Warrants entitling the holder thereof to acquire one Common Share at an exercise price of $0.15 issued April 4, 2022, expiring April 4, 2025	873,999	-	873,999
Warrants entitling the holder thereof to acquire one Common Share at an exercise price of $0.15 issued April 4, 2022, expiring April 4, 2025	11,400	-	11,400
Warrants entitling the holder thereof to acquire one Common Share at an exercise price of $0.02 ($0.0225 post transaction) issued August 2, 2021, expiring August 2, 2031	-	50,000,000	44,420,616
Warrants entitling the holder thereof to acquire one Common	-	250,000	222,103

Security	Cypher Metaverse Inc	Agapi Luxury Brands Inc	Resulting Issuer
Share at an exercise price of $0.20 ($0.2251 post transaction) issued February 24, 2022, expiring February 24, 2024			
Warrants entitling the holder thereof to acquire one Common Share at an exercise price of $0.17 ($0.1914 post transaction) issued February 24, 2022, expiring February 24, 2024	-	300,000	266,524
Warrants entitling the holder thereof to acquire one Common Share at an exercise price of $0.20 ($0.2251 post transaction) issued March 31, 2022, expiring March 31, 2024	-	250,000	222,103
Warrants entitling the holder thereof to acquire one Common Share at an exercise price of $0.17 ($0.1914 post transaction) issued March 31, 2022, expiring March 31, 2024	-	300,000	266,524
Warrants entitling the holder thereof to acquire one Common Share at an exercise price of $0.20 ($0.2251 post transaction) issued August 5, 2022, expiring August 5, 2024	-	62,500	55,526
Warrants entitling the holder thereof to acquire one Common Share at an exercise price of $0.17 ($0.1914 post transaction) issued August 5, 2022, expiring August 5, 2024	-	75,000	66,631
Warrants entitling the holder thereof to acquire one Common Share at an exercise price of $0.20 ($0.2251 post transaction) issued November 21, 2022, expiring November 21, 2024	-	31,250	27,763
Warrants entitling the holder thereof to acquire one Common Share at an exercise price of $0.17 ($0.1914 post transaction) issued November 21, 2022, expiring November 21, 2024	-	37,500	33,315
Warrants entitling the holder thereof to acquire one Common Share at an exercise price of $0.13 ($0.1463 post transaction) issued December 1, 2022, expiring December 1, 2024	-	2,625,000	2,332,082
Warrants entitling the holder thereof to acquire one Common	-	250,000	222,103

Security	Cypher Metaverse Inc	Agapi Luxury Brands Inc	Resulting Issuer
Share at an exercise price of $0.40 ($0.2251 post transaction) issued December 1, 2022, expiring December 1, 2024			
Warrants entitling the holder thereof to acquire one Common Share at an exercise price of $0.05 ($0.0563 post transaction) issued April 30, 2023, expiring April 30, 2025. Originally 29,397,317 warrants were issued, subsequently 3,434,959 were cancelled.	-	25,962,358	23,065,279
Common shares issued upon conversion of subscription receipt financing ($750,000 at a price per unit of $0.12)	-	-	6,250,000
Warrants entitling the holder thereof to acquire one Common Share at an exercise price of $0.15 to be issued upon conversion of subscription receipts	-	-	3,125,000
Finders Warrants entitling the holder thereof to acquire one Common Share at an exercise price of $0.15 to be issued upon conversion of subscription receipts			500,000
Total	18,859,976	136,423,782	149,935,545

Directors and Officers

It is expected that, subject to and upon closing of the Proposed Transaction, the current Chief Executive Officer and President, George Tsafalas, will step down from his position. It is expected that the current Chief Financial Officer, Tatiana Kovaleva, will step down from her position. It is expected that Brian Keane will not resign from his position as independent director while the remaining independent director, Harrison Ross will step down from his position. In turn, leadership of the Resulting Issuer will transition to a new board and management team (other than Brian Keane, who will remain), which will include David Stadnyk as President and Chief Executive Officer of the Resulting Issuer. The balance of the management team will be appointed by the new board of directors of the Resulting Issuer, which is expected to be comprised of Michael Hopkinson as Chief Financial Officer and Corporate Secretary.

The directors of the Resulting Issuer following the Proposed Transaction are expected to be David Stadnyk, Jeffery Stevens, and Brian Keane, with further details of each below.

Name, City and Province of Residence	Principal Occupation / Employment during the Past Five Years	Proposed Position with the Resulting Issuer	Director / Officer Since	Number / Percentage of Total Resulting Issuer Shares Held(1)
David Stadnyk *Vancouver, BC*	Venture Capital	CEO and Director	June 2021	19,768,170 (27.52%)
Jeffery Stevens *Toronto, ON*	Executive Management	Director	Upon Closing	222,103 (0.31%)
Brian Keane New York, NY	Venture Capital	Director	September 2017	Nil
Michael Hopkinson Vancouver, BC	CPA	CFO	Proposed	Nil

Notes:

(1) Calculated based upon the securities of the Company beneficially owned, controlled or directed by such persons as of the date of this Circular, and the Shares to be beneficially owned, controlled or directed by such persons after giving effect to the Proposed Transaction. The information as to the number of securities beneficially owned, controlled or directed by each person was provided by each person.

Cease Trade Orders

Except as set out below, to the knowledge of the Resulting Issuer, no director or executive officer of the Resulting Issuer (nor any personal holding company of any of such persons) is, as of the date of this Circular, or was within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Resulting Issuer), that:

(a) as subject to a cease trade order (including a management cease trade order), an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days (collectively, an "Order"), that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Mr. Keane became an officer and director of Callitas Health Inc. while it was already subject to cease trade order dated July 9, 2019, for failure to file financial statements. That cease trade order is ongoing.

Bankruptcies

To the knowledge of the Resulting Issuer, no director or executive officer of the Resulting Issuer (nor any personal holding company of any of such persons), or shareholder holding a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer:

(a) is, as of the date of this Circular, or has been within the 10 years before the date of this Circular, a director or executive officer of any company (including the Resulting Issuer) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Penalties or Sanctions

To the knowledge of the Resulting Issuer, no director or executive officer of the Resulting Issuer (nor any personal holding company of any of such persons), or shareholder holding a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

To the knowledge of management, no existing or potential material conflicts of interest exist presently or will exist between the Resulting Issuer and any proposed director, officer or promoter of the Resulting Issuer following completion of the Proposed Transaction.

Executive Compensation

For the purposes of this section, the NEOs of the Resulting Issuer are the proposed Chief Executive Officer and Chief Financial Officer of the Resulting Issuer following the Proposed Transaction. Based on the above criteria, the only NEOs for the Resulting Issuer are expected to be David Stadnyk (President and Chief Executive Officer) and Michael Hopkinson (Chief Financial Officer) after giving effect to the Proposed Transaction.

Compensation Discussion and Analysis

The Resulting Issuer anticipates creating a compensation committee that may be created and determined following completion of the Proposed Transaction and as determined necessary by the board of directors of the Resulting Issuer. In the meantime, compensation to be paid to the officers and directors of the Resulting Issuer will be determined by the board of directors of the Resulting Issuer. It is expected that compensation the Resulting Issuer will pay to the executive officers in the 12-month period after the closing of the Proposed Transaction will be based on, and consistent with, recommendations of the board of directors of the Resulting Issuer. In addition, the board of directors of the Resulting Issuer expects to recommend the compensation, if any, to be paid to directors for services rendered in that capacity. Directors will be entitled to participate in the stock option plan of the Resulting Issuer.

It is expected that, when determining compensation policies and individual compensation levels for the Resulting Issuer's executive officers, a variety of factors will be considered, including: the overall financial and operating performance of the Resulting Issuer, each executive officer's individual performance and contribution towards meeting corporate objectives, each executive officer's level of responsibility and length of service and industry comparables. The Resulting Issuer's compensation philosophy for its executive officers is expected to follow three underlying principles: to provide compensation packages that encourage and motivate performance; to be competitive with other companies in the industry in which it operates, so as to attract and retain talented executives; and to align the interests of its executive officers with the long-term interests of the Resulting Issuer and its shareholders through stock related programs. Stock option grants will be used to align executive interests with those of shareholders and will be based on the executive's performance, level of responsibility, as well as the number and exercise price of options previously issued to the executive in relation to his overall aggregate total compensation package.

Compensation Excluding Compensation Securities

The following table sets forth, as of the date hereof, a summary of all compensation, excluding compensation securities, the Resulting Issuer anticipates it will pay to the executive officers and directors of the Resulting Issuer in the 12-month period after giving effect to the Proposed Transaction.

Name and Position	Salary, Consulting Fee, Retainer or Commission ($)	Bonus ($)	Committee or Meeting Fees ($)	Value of Perquisites(1) ($)	Value of all other Compensation ($)	Total Compensation ($)
David Stadnyk, *President, and CEO*	$90,000	Nil	Nil	Nil	Nil	$90,000
Michael Hopkinson *CFO*	$30,000	Nil	Nil	Nil	Nil	$30,000
Jeffery Stevens *Director*	$6,000	Nil	Nil	Nil	Nil	$6,000
Brian Keane *Director*	$6,000	Nil	Nil	Nil	Nil	$6,000

Notes:

(1) The value of perquisites and benefits, if any, for each NEO or director was less than (a) $15,000, if the NEO or director's total salary for the financial year was $150,000 or less; (b) 10% of the NEO or director's salary for the financial year, if the NEO or director's total salary for the financial year was greater than $150,000 but less than $500,000; or (c) $50,000, if the NEO or director's total salary for the financial year was $500,000 or greater.

Any additional compensation to be paid to the executive officers and directors of the Resulting Issuer for the 12-month period after giving effect to the Proposed Transaction will be determined by the Resulting Issuer's board of directors.

Stock Options and Other Compensation Securities

The Resulting Issuer has not made any determination regarding the stock option grants or incentives to be made to executive officers and directors in the 12 months after giving effect to the Proposed Transaction.

Employment, Consulting and Management Agreements

<u>Compensation of David Stadnyk, President and CEO</u>

The Resulting Issuer will maintain Mr. Stadnyk's CEO Agreement dated July 10, 2023, and in turn, he will act as the President, and Chief Executive Officer of the Resulting Issuer for a term of one year, which automatically renews for successive one-year periods subject to a 90-day termination provision. Pursuant to the CEO Agreement, Mr. Stadnyk is paid an aggregate fee of $90,000 per year and entitled to participate in the share compensation programs of the Resulting Issuer. The CEO Agreement contains other customary terms for individuals acting in similar positions for issuers operating in the same industry. Mr. Stadnyk also receives 3.6% of gross revenue of Agapi as a royalty.

<u>Compensation of Mr. Michael Hopkinson, CFO</u>

The Resulting Issuer will continue Mr. Hopkinson CFO Agreement dated July 10, 2023, and he will act as the Chief Financial Officer of the Resulting Issuer for a term of one-year, which automatically renews for successive one-year periods subject to a 30-day termination provision. Pursuant to the CFO Agreement, Mr. Hopkinson receives an aggregate fee of $30,000 per year and is entitled to participate in the share compensation programs of the Resulting Issuer. The CFO Agreement contains other customary terms for individuals acting in similar positions for issuers operating in the same industry.

Pension Plan Benefits

The Resulting Issuer does not anticipate having a pension plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement.

Compensation of Directors

The Resulting Issuer is expected to pay compensation by way of stock options and director's fees to be determined and reviewed annually.

Indebtedness of Directors and Officers

None of the persons who are proposed to be directors, employees or executive officers of the Resulting Issuer following the completion of the Proposed Transaction, and none of the associates of such persons is or has been indebted to the Company at any time during the most recently completed financial year of the Company or will be indebted to the Resulting Issuer upon completion of the Proposed Transaction. Furthermore, none of such persons were indebted to a third party during such period where their indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

Promoters

David Stadnyk is considered to be a promoter of Agapi and the Resulting Issuer. See "*Directors and Officers*". Mr. Stadnyk will hold an aggregate of 19,768,170Shares of the Resulting Issuer. Mr. Stadnyk also holds a royalty on all sales equal to 3.6%.

Public Float

	Number of Common Shares (non-diluted)	Number of Common Shares (fully diluted)	% of Issued (non-diluted)	% of Issued (fully diluted)
Public Float				
Total Outstanding (A)	71,821,906	149,935,545		
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	32,973,871	50,587,379	44.46%	33.74%
Total Public Float (A)-(B)	39,887,194	99,348,166	55.54%	66.26%
Freely-Tradeable Float				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	28,741,241	45,528,641	40.02%	30.37%
Total Tradeable Float (A-C)	43,080,665	104,406,904	59.98%	63.63%

Security Holders

Public Securityholders (Registered)

Size of Holding	Number of Holders	Total Number of Common Shares
1 - 99 Common Shares	Nil	Nil
100 - 499 Common Shares	Nil	Nil
500 - 999 Common Shares	Nil	Nil
1,000 -1,999 Common Shares	Nil	Nil
2,000 - 2,999 Common Shares	Nil	Nil
3,000 - 3,999 Common Shares	Nil	Nil
4,000 - 4,999 Common Shares	Nil	Nil
5,000 or more Common Shares	11	1,165,963
Total	**11**	**1,165,963**

Public Securityholders (Beneficial)

Size of Holding	Number of Holders	Total Number of Common Shares
1 - 99 Common Shares	1,926	48,065
100 - 499 Common Shares	805	171,473
500 - 999 Common Shares	224	140,518
1,000 -1,999 Common Shares	201	243,825
2,000 - 2,999 Common Shares	79	180,168
3,000 - 3,999 Common Shares	42	136,198
4,000 - 4,999 Common Shares	34	142,877
5,000 or more Common Shares	131	2,657,574
Objecting Beneficial Owners	N/A	10,685,245
Total	**3,442**	**14,405,943**

Non-Public Security holders (Registered)

Size of Holding	Number of Holders	Total Number of Common Shares
1 - 99 Common Shares	Nil	Nil
100 - 499 Common Shares	Nil	Nil
500 - 999 Common Shares	Nil	Nil
1,000 -1,999 Common Shares	Nil	Nil
2,000 - 2,999 Common Shares	Nil	Nil
3,000 - 3,999 Common Shares	Nil	Nil
4,000 - 4,999 Common Shares	Nil	Nil
5,000 - or more Common Shares	47	56,280,174

Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer

In accordance with Section 1.8 of CSE Policy 8 and National Policy 46-201 *Escrow for Initial Public Offerings* (“**NP 46-201**”), all securities of an issuer owned or controlled by its principals are required to be placed in escrow at the time of the issuer’s initial distribution, unless the Shares held by the principal or issuable to the principal upon conversion of convertible securities held by the principal collectively represent less than 1% of the voting rights attaching to the total issued and outstanding securities of the issuer after giving effect to the initial public offering. Upon completion of the Proposed Transaction, the Resulting Issuer anticipates being an “emerging issuer” as defined in NP 46-201.

Certain Shares will be subject to the terms of an escrow agreement (the “**Escrow Agreement**”) to be entered into in connection with the Proposed Transaction between the Resulting Issuer, **Odyssey Trust**

Company, as escrow agent, and the holders of the Escrow Shares (as defined herein), being the securityholders set out in the table under the heading "*Escrow Shares*".

Escrow Shares

The following table sets out, as of the date hereof and to the knowledge of the Resulting Issuer, assuming completion of the Proposed Transaction, the name and municipality of residence of the securityholders whose Shares are expected to be subject to the Escrow Agreement (on a non-diluted basis) (the "**Escrow Shares**").

Name and Municipality of Securityholder	No. of Shares to be Held in Escrow(1)	Percentage of Class of Resulting Issuer Shares(2)
David Stadnyk, Vancouver, BC	19,768,170	27.52
Jeffery Stevens, Toronto, Ont	222,103	0.29

Notes:

(1) These securities shall be held in escrow pursuant to the Escrow Agreement. The securities subject to the Escrow Agreement shall be released in accordance with the schedule set out under the heading "*Terms of the Escrow for the Escrow Shares*".

(2) Calculated based upon an anticipated **71,821,906** Shares being issued and outstanding on a non-diluted basis following completion of the Proposed Transaction.

Terms of the Escrow for the Escrow Shares

As the Resulting Issuer anticipates being an "emerging issuer" for the purposes of NI 46-201, the following timed releases will apply to the securities held by principals who are subject to escrow.

Period	Escrowed Shares to be Released
On the date the Resulting Issuer's shares are listed on the CSE (the "**Listing Date**")	**1/10** of the Escrow Shares
6 months after the Listing Date	**1/6** of the remaining Escrow Shares
12 months after the Listing Date	**1/5** of the remaining Escrow Shares
18 months after the Listing Date	**1/4**of the remaining Escrow Shares
24 months after the Listing Date	**1/3** of the remaining Escrow Shares
30 months after the Listing Date	**1/2** of the remaining Escrow Shares
36 months after the Listing Date	The remaining Escrow Shares

Assuming there are no changes to the Escrow Shares initially deposited and no additional Escrow Shares are deposited, this will result in a **10**% release on the Listing Date, with the remaining Escrow Shares being released in tranches every **6** months thereafter.

Under NP 46-201, a "principal" in relation to the Resulting Issuer is: (a) a person or company who has acted as a promoter of the Resulting Issuer within two years of closing of the Proposed Transaction; (b) a director or senior officer of the Resulting Issuer or any of its material operating subsidiaries at the time of closing of the Proposed Transaction; (c) a person or company that holds securities carrying more than 20% of the voting rights attached to the Resulting Issuer's outstanding securities immediately before and immediately after closing of the Proposed Transaction; and (d) a person or company that: (i) holds securities carrying more than 10% of the voting rights attached to the Resulting Issuer's outstanding securities immediately before and immediately after closing of the Proposed Transaction; and (ii) has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the Resulting Issuer or any of its material operating subsidiaries. A company, trust, partnership or other entity more than 50% held by one or more principals will be treated as a principal, and any securities of the company held by such an entity will be subject to the escrow requirements. A principal's spouse and their relatives that live at the same address as the principal will be deemed principals, and any securities of the Resulting Issuer held by such a person will be subject to the escrow requirements.

Under the terms of the Escrow Agreement, Escrow Shares cannot be transferred by the holder unless permitted under the Escrow Agreement. Notwithstanding this restriction on transfer, a holder of Escrow Shares may (a) pledge, mortgage, or charge the Escrow Shares to a financial institution as collateral for a loan, provided that no Escrow Securities will be delivered by the escrow agent to the financial institution; (b) exercise any voting rights attached to the Escrow Securities; (c) receive dividends or other distributions on the Escrow Securities; and (d) exercise any rights to exchange or convert the Escrow Securities in accordance with the Escrow Agreement.

Principal Securityholders

To the knowledge of the Resulting Issuer, following completion of the Proposed Transaction, no person will beneficially own, directly or indirectly, or exercise control or direction over shares carrying more than 10% of voting rights attached to each class of the then outstanding Shares, except as follows.

Principal Securityholder	No. of Resulting Issuer Shares	Percentage of Resulting Issuer Shares(1)
David Stadnyk	19,768,170	27.52%
George Tsafalas	12,166,542	16.94%

Note:

(1) Calculated based upon an anticipated 71,821,906 Shares being issued and outstanding on a non-diluted basis following completion of the Proposed Transaction.

Audit Committee and Corporate Governance

The members of the Audit Committee are Jeffery Stevens (Chair), David Stadnyk, and Brian Keane.

All of the members of the Audit Committee are financially literate, as defined in NI 52-110, as all of the Audit Committee members have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. All members of the Audit Committee, with the exception of Mr. Stadnyk by virtue of his executive role with the Company, are independent under the definition therefor for the purposes of NI 52-110.

Corporate governance relates to the activities of the Resulting Issuer's board of directors, the members of which are elected by and are accountable to the shareholders and takes into account the role of the individual members of management who are appointed by the board of directors and who are charged with the day-to-day management of the Resulting Issuer. The board of directors is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making.

The Resulting Issuer's corporate governance practices are summarized below:

Board of Directors

The board of directors is currently comprised of three members. An "independent" director is a director who has no direct or indirect material relationship with the Resulting Issuer. A material relationship is a relationship that could, in the view of the board of directors, reasonably interfere with the exercise of a director's independent judgment. Jeffery Stevens and Brian Keane are independent directors of the Resulting Issuer, as aside from common shares held by them, they have no ongoing interest or relationship with the Resulting Issuer's other than serving as directors. David Stadnyk is not an independent director because of his position as an executive officer of the Resulting Issuer.

Orientation and Continuing Education

The board of directors provides an overview of the Resulting Issuer's business activities, systems and business plan to all new directors. New director candidates have free access to any of the Resulting Issuer's records, employees or senior management in order to conduct their own due diligence and will be briefed on the strategic plans, short, medium and long-term corporate objectives, business risks and mitigation strategies, corporate governance guidelines and existing policies of the Resulting Issuer. The directors are encouraged to update their skills and knowledge by taking courses and attending professional seminars.

Ethical Business Conduct

The board of directors believes good corporate governance is an integral component to the success of the Resulting Issuer and to meet responsibilities to shareholders. Generally, the board of directors has found that the fiduciary duties placed on individual directors by the Resulting Issuer's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the board of directors in which the director has an interest have been sufficient to ensure that the board of directors operates independently of management and in the best interests of the Resulting Issuer.

The board of directors is also responsible for applying governance principles and practices, and tracking development in corporate governance, and adapting "best practices" to suit the needs of the Resulting Issuer. Certain of the directors of the Resulting Issuer may also be directors and officers of other companies, and conflicts of interest may arise between their duties. Such conflicts must be disclosed in accordance with, and are subject to such other procedures and remedies as applicable under the BCBCA.

Nomination of Directors

The board of directors has not formed a nominating committee or similar committee to assist the board of directors with the nomination of directors for the Resulting Issuer. The board of directors considers itself too small to warrant creation of such a committee; and each of the directors has contacts he can draw upon to identify new members of the board of directors as needed from time to time.

The board of directors will continually assess its size, structure and composition, taking into consideration its current strengths, skills and experience, proposed retirements and the requirements and strategic direction of the Resulting Issuer. As required, directors will recommend suitable candidates for consideration as members of the board of directors.

Compensation

The board of directors reviews the compensation of its directors and executive officers annually. The directors will determine compensation of directors and executive officers taking into account the Resulting Issuer's business ventures and the Resulting Issuer's financial position. See "*Executive Compensation*".

Other Board Committees

The Resulting Issuer has established an Audit Committee. There are no other committees of the board of directors.

Assessments

The board of directors has not implemented a process for assessing its effectiveness. As a result of the company's small size and the company's stage of development, the board of directors considers a formal assessment process to be inappropriate at this time. The board of directors plans to continue evaluating its own effectiveness on an ad hoc basis.

The board of directors does not formally assess the performance or contribution of individual board members or committee members.

Legal Proceedings

Neither Cypher nor Agapi is a party to any legal proceedings currently material to it, or of which any of its property is the subject matter, and no such proceedings are known by either Cypher or Agapi to be contemplated.

Auditors

Saturna Group Chartered Professional Accountants LLP was appointed as auditors of Agapi for the fiscal periods ended June 30, 2021, and June 30, 2022.

Davidson and Company LLP was engaged with respect to the review of the Agapi March 31, 2023 interim financial statements and has been appointed as auditors of Agapi for the fiscal year ended June 30, 2023.

Upon completion of the Proposed Transaction, the auditors of the Resulting Issuer will be Davidson & Company of Vancouver, BC who will replace PKF Antares Professional Corporation.

Registrar and Transfer Agent

The transfer agent and registrar for the Resulting Issuer will be Odyssey Trust Company at its principal offices in Calgary, Alberta following the Proposed Transaction.

Material Contracts

Other than disclosed herein, on completion of the Proposed Transaction, the Resulting Issuer will not be a party to any material contracts other than the following:

- Supply Agreement dated January 5, 2022, between the Freud Cigars LLC and Tabacalera Diaz Cabrera S.R.L.;

- Supply Agreement dated May 10, 2022, between Freud Cigars LLC and Tabacalera William Ventura S.R.L.;

- Secured Bridge Loan Agreement dated May 10, 2023, in the amount of $600,000 between the Company and Agapi;

- Royalty Agreement dated March 20, 2023 between the Company and David Stadnyk and George Tsafalas; and

- Royalty Agreement dated August 23, 2021 between the Company and David Stadnyk.

Financial Disclosure

Please see the pro forma financial statements attached hereto as Schedule “E”.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com. Shareholders may contact the Company to request copies of the Company’s financial statements and management’s discussion and analysis by sending a written request to Cypher Metaverse Inc., Suite 1780, 355 Burrard Street St., Vancouver, British Columbia, V6C 2C8, Attention: George Tsafalas, President and Chief Executive Officer or Tatiana Kovaleva, Chief Financial Officer. Financial information is provided in the Company’s comparative financial statements and management discussion and analysis for its most recently completed financial year.

TRANSFER AGENT AND REGISTRAR

Cypher’s registrar and transfer agent is Odyssey Trust Company, 1230, 300 5th Avenue SW, Calgary, Alberta, T2P 3C4.

OTHER MATTERS

The Board is not aware of any other matters which they anticipate will come before the Meeting as of the date of this Circular.

SCHEDULE "A"

AUDIT COMMITTEE DISCLOSURE

National Instrument 52-110 *Audit Committees* ("**NI 52-110**") requires Cypher Metaverse Inc. (the "**Company**"), as a venture issuer, to disclose annually in its Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth below:

1. The Audit Committee's Charter

Purpose of the Committee

The purpose of the Audit Committee (the "**Committee**") of the Board of Directors (the "**Board**") of the Company is to provide an open avenue of communication between management, the Company's independent auditor and the Board and to assist the Board in its oversight of:

- the integrity, adequacy and timeliness of the Company's financial reporting and disclosure practices;
- the Company's compliance with legal and regulatory requirements related to financial reporting; and
- the independence and performance of the Company's independent auditor.

The Committee shall also perform any other activities consistent with this Charter, the Company's charter documents and governing laws as the Committee or Board deems necessary or appropriate.

The Committee shall consist of at least three directors. Members of the Committee shall be appointed by the Board and may be removed by the Board in its discretion. The members of the Committee shall elect a chairman from among their number. A majority of the members of the Committee must not be officers or employees of the Company or of an affiliate of the Company. The quorum for a meeting of the Committee is a majority of the members who are not officers or employees of the Company or of an affiliate of the Company. With the exception of the foregoing quorum requirement, the Committee may determine its own procedures.

The Committee's role is one of oversight. Management is responsible for preparing the Company's financial statements and other financial information and for the fair presentation of the information set forth in the financial statements in accordance with generally accepted accounting principles ("**IFRS**"). Management is also responsible for establishing internal controls and procedures and for maintaining the appropriate accounting and financial reporting principles and policies designed to assure compliance with accounting standards and all applicable laws and regulations.

The independent auditor's responsibility is to audit the Company's financial statements and provide its opinion, based on its audit conducted in accordance with generally accepted auditing standards, that the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Company in accordance with IFRS.

The Committee is responsible for recommending to the Board the independent auditor to be nominated for the purpose of auditing the Company's financial statements, preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, and for reviewing and recommending the compensation of the independent auditor. The Committee is also directly responsible for the evaluation of and oversight of the work of the independent auditor. The independent auditor shall report directly to the Committee.

Authority and Responsibility

In addition to the foregoing, in performing its oversight responsibilities the Committee shall:

(a) Monitor the adequacy of this Charter and recommend any proposed changes to the Board.

(b) Review the appointments of the Company's Chief Financial Officer and any other key financial executives involved in the financial reporting process.

(c) Review with management and the independent auditor the adequacy and effectiveness of the Company's accounting and financial controls and the adequacy and timeliness of its financial reporting processes.

(d) Review with management and the independent auditor the annual financial statements and related documents and review with management the unaudited quarterly financial statements and related documents, prior to filing or distribution, including matters required to be reviewed under applicable legal or regulatory requirements.

(e) Where appropriate and prior to release, review with management any news releases that disclose annual or interim financial results or contain other significant financial information that has not previously been released to the public.

(f) Review the Company's financial reporting and accounting standards and principles and significant changes in such standards or principles or in their application, including key accounting decisions affecting the financial statements, alternatives thereto and the rationale for decisions made.

(g) Review the quality and appropriateness of the accounting policies and the clarity of financial information and disclosure practices adopted by the Company, including consideration of the independent auditor's judgment about the quality and appropriateness of the Company's accounting policies. This review may include discussions with the independent auditor without the presence of management.

(h) Review with management and the independent auditor significant related party transactions and potential conflicts of interest.

(i) Pre-approve all non-audit services to be provided to the Company by the independent auditor.

(j) Monitor the independence of the independent auditor by reviewing all relationships between the independent auditor and the Company and all non-audit work performed for the Company by the independent auditor.

(k) Establish and review the Company's procedures for the:

   a. receipt, retention and treatment of complaints regarding accounting, financial disclosure, internal controls or auditing matters; and

b. confidential, anonymous submission by employees regarding questionable accounting, auditing and financial reporting and disclosure matters.

(l) Conduct or authorize investigations into any matters that the Committee believes is within the scope of its responsibilities. The Committee has the authority to retain independent counsel, accountants or other advisors to assist it, as it considers necessary, to carry out its duties, and to set and pay the compensation of such advisors at the expense of the Company.

(m) Perform such other functions and exercise such other powers as are prescribed from time to time for the audit committee of a reporting corporation in National Instrument 52-110 of the Canadian Securities Administrators, the *Business Corporations Act* (British Columbia) and the charter documents of the Company.

2. Composition of the Audit Committee

George Tsafalas, Brian Keane and Harrison Ross are members of the Committee. Each member of the Committee is financially literate as defined by NI 52-110. George Tsafalas is not an independent member of the Committee by virtue of his position as CEO. Brian Keane and Harrison Ross are independent directors of the Company.

A member of the Committee is independent if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the view of the Company's Board, reasonably interfere with the exercise of a member's independent judgment.

A member of the Committee is considered financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company.

3. Relevant Education and Experience

The following is the description of education and experience of each Committee member that is relevant to the performance of his duties.

Mr. Tsafalas has been a Senior Executive, Chief Financial Officer, Executive Member of the board of directors and Chair of audit committee's for several companies, where he acquired his financial literacy.

Mr. Keane has over 18 years of capital markets, investing and C-level consulting experience in over 100 emerging growth companies in the US, Canada, Caribbean and Asia, transacting over $2 billion in deal value. His previous Wall Street experience includes: Rodman & Renshaw, LLC, Ladenburg Thalmann & Co., TechVest, & Qualified Capital, where he focused on life science, biotech, mining and emerging growth companies. He earned a BS from the University of Scranton and a JD from New York Law School.

Mr. Ross is currently VP of finance at Marizyme Inc. (OTCQB:MRZM), a medical device development and commercialization company. Prior to that, Mr. Ross was CFO of Health Logic Interactive Inc., and its subsidiary My Health Logic Inc., which completed its sale to Marizyme Inc. (OTCQB:MRZM) in December, 2021. Mr. Ross' previous work experience includes being CFO at DC Acquisition, a Capital Pool Company listed on the TSXV that raised over $2.5 million and completed its acquisition of Kiaro Holdings (TSXV:KO). Mr. Ross has also helped manage over a combined $500 million at the investment firm Duncan Ross and Associates and for the family office Belkorp Industries, where he served as an equity analyst in both cases.

Mr. Ross has also spent time working at the family-owned company Graymont Limited and the investment arm of CIBC, Wood Gundy. Mr. Ross received his Bachelor of Management and Organizational Studies degree from University of Western Ontario, with a specialization in Accounting and received his CFA designation in 2017.

4. Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, the Committee has not made any recommendations to the Board to nominate or compensate any external auditor that was not adopted by the Board.

5. Pre-Approval Policies and Procedures

The Committee has not adopted specific policies and procedures for the engagement of non-audit services.

6. External Auditor Service Fees

The Committee has reviewed the nature and amount of the non-audit services provided by the auditors to the Company to ensure auditor independence. Fees incurred with the auditors for audit and non-audit services during the last two fiscal years for audit fees are outlined in the following table.

Financial Year Ending	Audit Fees(1)	Audit Related Fees(2)	Tax Fees(3)	All Other Fees(4)
December 31, 2022	$70,000	Nil	$2,500	Nil
December 31, 2021	$72,500	Nil	Nil	Nil

Notes:

(1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

(2) "Audit Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

(3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

(4) "All Other Fees" include all other non-audit services.

7. Exemptions

In respect to the most recently completed financial year, the Company is relying on the exemption set out in section 6.1 of NI 52-110 with respect to compliance with the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

SCHEDULE “B”

THE SHARE PURCHASE AGREEMENT

(see attached)

AGREEMENT TO PURCHASE SHARES

DATED the 29th day of August, 2023

BETWEEN:

AGAPI LUXURY BRANDS INC, a company organized under the laws of British Columbia, with offices in Vancouver, BC. (the "**Corporation**")

- and -

CYPHER METAVERSE INC. a company organized under the laws of British Columbia, with offices in Vancouver, BC. (the "**Purchaser**")

Recitals:

A. The Corporation owns the Business as hereinafter defined.

B. The Purchaser wishes to purchase all of the issued and outstanding shares of the Corporation on the terms and conditions hereinafter set forth.

NOW THEREFORE for and in consideration of the Purchase Price (as hereinafter defined), the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Corporation and Purchaser agree as follows:

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Definitions

The following words or phrases shall have the following meanings throughout this Agreement:

(a) "**Cypher Shares**" means common shares of the Purchaser;

(b) "**Applicable Law**" means all statutes, regulations, court orders, judgments, by-laws and other rules, determinations, decrees or orders of any government or public authority having jurisdiction in the circumstances;

(c) "**Business**" means the business of the Corporation of the manufacture, distribution and sale of luxury cigars, and all associated agreements and intellectual property;

(d) "**Closing Date**" means October 31, 2023, or such other date that the Purchaser notifies the Corporation in writing;

(e) "**Corporation Shareholder**" means those holders of shares of the Corporation;

(f) "**Purchase Price**" means an amount equal to $5,000,000.

1.2 Principles of Interpretation

Unless specifically stated otherwise, each word, phrase or provision of this Agreement is subject to the following principles of interpretation if and when the context requires:

(a) "Agreement" means this agreement and all schedules and amendments to this agreement;

(b) "hereunder", "herein" and "hereof" refer to this Agreement;

(c) "Article", "Schedule", "Section", "subsection", "Clause", "sub-clause", "Paragraph" or "subparagraph" mean the applicable Article, Schedule, Section, subsection, Clause, paragraph or subparagraph of this Agreement;

(d) references to the singular or masculine or neuter shall also or alternatively include the feminine and plural, and vice versa;

(e) where a word or phrase is defined, its derivatives or other grammatical forms have a corresponding meaning;

(f) where a word or phrase appears in quotations or parenthesis or both, that word or phrase is deemed to be a defined word or phrase and gets its meaning from the words or phrases that immediately precede or follow that word or phrase;

(g) "Party" or "party" means the applicable party to this Agreement and that party's successors and permitted assigns; "Parties" or "parties" means all parties to this Agreement and their respective successors and permitted assigns;

(h) the headings of this Agreement shall not be used in interpreting this Agreement or the relationship of the parties, and are inserted for convenience only.

1.3 Currency

Unless specifically stated otherwise, all references in this Agreement to currency or dollar amounts mean Canadian currency or dollar amounts, and all payments and receipts shall be made and recorded in Canadian currency.

1.4 Proper Law and Adjudicating Jurisdiction

This Agreement shall be interpreted and enforced in accordance with the laws of British Colombia and the federal laws of Canada. Each of the Parties irrevocably attorns to the jurisdiction of the courts of British Columbia for the interpretation and enforcement of the provisions hereof.

1.5 Waiver and Amendment

This Agreement may only be amended by further written agreement executed and delivered by the parties. No waiver or consent by a party of or to any breach or default by any other party shall be effective unless evidenced in writing, executed and delivered by the party so waiving or consenting. No waiver or consent effectively given as aforesaid shall operate as a waiver of or consent to any further or other breach or default in relation to the same or any other provision of this Agreement.

1.6 Entirety of Agreement

This Agreement contains the entire agreement between the Parties with respect to the matters of agreement herein, and the parties acknowledge and agree that there are no oral or other written agreements, undertakings, promises, conditions, representations or warranties respecting the matters of agreement herein.

1.7 Severability

Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under Applicable Law. Any provision of this Agreement that is invalid or unenforceable in any jurisdiction shall be ineffective to the extent of such invalidity or unenforceability without invalidating or rendering unenforceable the remaining provisions hereof, and any such invalidity or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

ARTICLE 2
PURCHASE AND SALE

2.1 Sale and Conveyance

Subject to the terms and conditions of this Agreement, the Corporation will cause each Corporation Shareholder to sell and the Purchaser will purchases all of each Corporation Shareholder's entire right, title and interest in and to their shares of the Corporation for a pro rata share of the Purchase Price, as of the Closing Date, and pursuant to a separate purchase and sale agreement with each Corporate Shareholder as attached as Schedule A hereto.

2.2 Payment of Purchase Price

The Purchase Price shall be paid to the Corporation Shareholders on the Closing Date by the issuance from treasury of 50 million Cypher shares at an issue price of $0.10 per share.

REPRESENTATIONS AND WARRANTIES

2.3 Representations and Warranties of the Corporation

The Corporation represents and warrants as follows and acknowledges that the Purchaser is relying upon such representations and warranties in connection with the purchase by the Purchaser of the Corporation Shares.

2.4 Organization

The Corporation has been duly incorporated and organized and is validly subsisting, current in all filings, and in good standing under the laws of the Province of British Columbia.

2.5 Corporate Capacity and Authority

The Corporation has full power, capacity and authority to conduct and carry on its Business, and all other operations and activities and to own, operate, hold, use and in all respects deal with its properties and assets.

2.6 Legal Conduct of Business

The Corporation conducts its Business and owns, operates, holds, uses and deals with its assets in compliance with all applicable laws, rules and regulations, is not in breach of any such laws, rules or regulations, is duly licensed, registered and qualified to carry on its Business, and to own, operate, hold, use and deal with its assets in the manner it now does, and all such licenses, registrations and qualifications are valid and subsisting and are in good standing and none of the same contains any burdensome term, provision, condition or limitation which has or may have an adverse effect on the operation of the Business of such corporation. The Corporation will continue to conduct its Business in the normal course of operation until Closing

2.7 Good and Marketable Title

The Corporate Shareholders, as shown on the share register of the Corporation, are the registered and beneficial owners of the shares of the Corporation, with a good and marketable title thereto, free and clear of all mortgages, liens, charges, security interests, adverse claims, pledges, encumbrances and demands whatsoever.

2.8 No Agreements for Interests

No person, firm or corporation has any agreement or option or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement, including convertible securities, options warrants or convertible obligations of any nature, for the purchase, subscription, allotment or issuance of any shares or other securities in the capital of the Corporation.

2.9 Accuracy of Corporate Records

The books and records of the Corporation fairly and correctly set out and disclose in all material respects, in accordance with generally accepted accounting principles, the financial position of the Corporation as at the date hereof and all material financial transactions of the Corporation have been accurately recorded in such books and records.

2.10 Completeness and Accuracy of Books and Records

The corporate records and minute books of the Corporation contain complete and accurate minutes of all meetings of the directors and shareholders of the Corporation held since the incorporation of the Corporation, all such meetings were duly called and held, the share certificate books, register of shareholders, register of transfers and register of directors of such corporation are complete and accurate.

2.11 Payments and Filings

The Corporation has duly filed or delivered in a timely manner all material documents, notices, reports, assessments, payments and all other matters, including all tax and information returns required to be filed in respect of all Taxes, customs, levies assessments, reassessments or governmental charges together with all interest, penalties and fines thereon (collectively, "**Charges**") or withholdings of any nature whatsoever due to any federal, provincial, state, municipal, local or other governmental authority in all jurisdictions applicable to the Corporation and the Corporation has made adequate provision for such Charges in respect of all periods for which filing returns or payments are not yet required to be made.

2.12 No Agreements

Except as disclosed to the Purchaser, the Corporation is not a party to any other outstanding agreements, contracts or commitments, whether written or oral of any nature or kind whatsoever, including (without limitation) agreements for or in the nature of:

(a) leases or licenses;

(b) loans, bonds, debentures, mortgages, other security interests, or agreements for the creation or issuance thereof except as disclosed to the Purchaser;

(c) conditional sales contracts, hire-purchase agreements or any other title retention agreements;

(d) employment, service or pension agreements with parties related to the Corporation or with anyone outside normal business operation; or

(e) agreements for the guarantee, indemnification, assumption or endorsement of the obligations, liabilities, or indebtedness of any other person, firm or corporation other than express or implied warranties made to customers in the ordinary course of business.

2.13 No Default or Breach of Existing Agreements

The Corporation is not in default or breach of any contract or agreement, whether written or oral, of whatever nature or kind, to which it is a party and there exists no state of facts which with the giving of notice or the lapse of time or both would constitute such a default or breach and all such contracts and agreements are now in good standing, none contain any burdensome term or provision and the Corporation is entitled to all the benefits thereunder.

2.14 Assets of the Corporation

The only asset of the Corporation is the Business. The Corporation is the legal and beneficial owner of such assets, free and clear of all charges, demands encumbrances or liens whatsoever and other than has been disclosed the Corporation does not own, maintain, operate or use any other assets.

2.15 Actions

There are no actions, suits or proceedings (whether or not purportedly on behalf of the Corporation), pending or threatened against or affecting the Corporation, at law or in equity, or before or by any federal, provincial, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, and the Corporation is not aware of any existing ground on which any such action, suit or proceeding might be commenced with any reasonable likelihood of success.

2.16 Legality of Agreement

The entering into of this agreement and the transactions contemplated hereby will not constitute a default, breach or violation of, or conflict with:

(a) any provision of the constating documents or by laws of the Corporation or of any indenture or other agreement, written or oral, to which any of the Corporation is are a party or by which it is bound; or

(b) any law, judgment, decree, order law, any statute, rule or regulation applicable to the Corporation.

2.17 Subsidiaries

Except as disclosed to the Purchaser, the Corporation has no subsidiaries or agreements of any nature to acquire any subsidiary or to acquire or lease any other business operations.

2.18 Liabilities of the Corporation

There are no liabilities (contingent or otherwise) of the Corporation of any kind whatsoever, and, to the best of the knowledge of the Corporation after making a diligent inquiry, there is no basis for assertion against the Corporation of any liabilities of any kind, other than:

(a) liabilities disclosed in writing to the Purchaser;

(b) other liabilities disclosed in this Agreement.

2.19 Representations and Warranties of the Purchaser

The Purchaser represents and warrants to the Corporation that this Agreement constitutes a legal, valid and binding obligation of the Purchaser and is enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization and other laws of general application limiting the enforcement of creditors' rights generally and to the fact that equitable remedies are available only in the discretion of the Court.

2.20 Survival of Representations and Warranties

Notwithstanding the completion of the transactions contemplated by this Agreement or any investigation made by or on behalf of any Party, the representations and warranties of the Corporation and the Purchaser contained in this Article 3 and the representations and warranties contained in any document or certificate given pursuant to this Agreement shall survive the Closing and continue in full force and effect for a period of two (2) years. No claims with respect to the representations and warranties of the Corporation and the Purchaser contained in this agreement or in any document or certificate given pursuant to the provisions hereof shall be made unless notice in writing of such claim has been given by the Party making the claim to the other Party within two (2) years of the date of this Agreement.

2.21 Indemnification

Each Party (the "Indemnifying Party") hereby indemnifies and agrees to hold the other Party (the "Indemnified Party") harmless from and against all claims, demands, liabilities, losses, damages, costs, expenses (including legal, expert and other such expenses) fines and penalties which the Indemnified Party may incur, suffer, sustain or become subject to, as a result of or arising out of any breach by the Indemnifying Party of any representation, warranty, covenant or agreement contained in this Agreement.

ARTICLE 3
DELIVERY OF DOCUMENTS

3.1 Delivery of Documents

On the Closing Date the following are to be delivered

(a) by the Purchaser to the Corporation Shareholders:

(i) to each a pro rate share of the 50,000,000 Cypher shares;

by the Corporation Shareholders to the Purchaser:

(ii) certificates representing the shares of the Corporation duly endorsed for transfer to the Purchaser; and

(iii) a duly signed copy of the purchase and sale agreement in form attached as Schedule A

By the Corporation to the Purchaser

(iv) a certified resolution of the director of the Corporation dated as of the Closing Date, approving the transfer of its shares to the Purchaser and directing that a new certificate representing such shares be issued in the name of the Purchaser.

ARTICLE 4
MISCELLANEOUS PROVISIONS

4.1 Further Assurances

The Parties shall from time to time and at all times hereafter, without further consideration, do and perform all such further acts and things, and execute and deliver all such further agreements, assurances, deeds, assignments, conveyance notices, releases and other documents and instruments, as may reasonably be required to more fully secure the sale and transfer of the Subject Shares in accordance with the provisions of this Agreement and otherwise to assure the carrying out of the intent and purpose of this Agreement

4.2 Time

Time shall be of the essence of this Agreement.

4.3 Conditions Precedent

It shall be a condition precedent to the Purchaser's obligation to close that:

(a) all required Canadian Securities Exchange approvals and permits relating to the transactions contemplated herein are obtained in a form satisfactory to the Purchaser;

(b) the Corporation's representations and warranties contained in Article 3 are current and valid as of the Closing Date.

4.4 Enurement

This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and assigns.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first above written.

AGAPI LUXURY BRANDS INC.

Per: ____________________

Name: David Stadnyk
Title: CEO

CYPHER METAVERSE INC.

Per: DocuSigned by: Brian D Keane 2EDF68E119814F3...

Name: Brian Keane
Title: Director

Schedule A

Form of Purchase and Share Agreement for each individual shareholder

SCHEDULE “C”

AGAPI FINANCIAL STATEMENTS

(see attached)

AGAPI LUXURY BRANDS INC.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022 AND
PERIOD FROM JUNE 11, 2021 (DATE OF INCORPORATION) TO JUNE 30, 2021

(EXPRESSED IN CANADIAN DOLLARS)

SATURNA GROUP
CHARTERED PROFESSIONAL ACCOUNTANTS LLP
Suite 1605, 1166 Alberni Street
Vancouver, BC Canada V6E 3Z3

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Agapi Luxury Brands Inc.

Opinion
We have audited the consolidated financial statements of Agapi Luxury Brands Inc. (the "Company"), which comprise the consolidated statements of financial position as at June 30, 2022 and 2021, and the consolidated statements of operations and comprehensive loss, changes in shareholders' equity (deficit), and cash flows for the year ended June 30, 2022 and period from June 11, 2021 (date of incorporation) to June 30, 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2022 and 2021, and its financial performance and its cash flows for the year ended June 30, 2022 and period from June 11, 2021 (date of incorporation) to June 30, 2022, in accordance with International Financial Reporting Standards.

Basis for Opinion
We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern
We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company has not generated any revenues, incurred a net loss of $1,059,195, and had negative cash flow of $812,473 from operations during the year ended June 30, 2022 and, as of that date, had an accumulated deficit of $1,064,576. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information
Management is responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control.

Saturna Group LLP

Saturna Group Chartered Professional Accountants LLP

Vancouver, Canada

July 6, 2023

AGAPI LUXURY BRANDS INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(EXPRESSED IN CANADIAN DOLLARS)

	Note	June 30, 2022	June 30, 2021
		$	$
ASSETS			
Current			
Cash		52,805	-
Inventory	4	86,689	-
Prepaid expenses and deposits	5	201,541	9,600
Total current assets		341,035	9,600
LIABILITIES			
Current			
Account payable and accrued liabilities	6	249,902	5,381
Due to related party	9	-	9,599
		249,902	14,980
Non-current liabilities			
Convertible debentures	7,9	410,062	-
Total liabilities		659,964	14,980
SHAREHOLDERS' DEFICIT			
Share capital	8	330,001	1
Reserves	8	426,141	-
Accumulated other comprehensive loss		(10,495)	-
Deficit		(1,064,576)	(5,381)
Total shareholders' deficit		(318,929)	(5,380)
Total liabilities and shareholder's deficit		341,035	9,600

Nature and continuance of operations (Note 1)
Subsequent events (Note 15)

Approved on behalf of the Board and authorized for issuance on July 6, 2023:

"David Stadnyk"
David Stadnyk, Director

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

AGAPI LUXURY BRANDS INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(EXPRESSED IN CANADIAN DOLLARS)

	Note	Year Ended June 30, 2022 $	For the period from Incorporation on June 11, 2021 to June 30, 2021 $
EXPENSES			
Advertising and promotion		190,162	-
General and administrative	10	172,887	-
Consulting fess	9	245,765	3,528
Professional fees		139,414	1,853
Share- based compensation	8	249,013	-
Total expenses		997,241	5,381
Loss before other expenses		(997,241)	(5,381)
Other expenses			
Inventory write down		(14,764)	-
Interest and accretion	7	(47,190)	-
Total other expenses		(61,954)	-
Net loss for the period		(1,059,195)	(5,381)
Other comprehensive loss			
Foreign currency translation		(10,495)	-
Net and comprehensive loss for the period		(1,069,690)	(5,381)
Loss per share			
Basic and diluted		(0.04)	(5,381)
Weighted average number of common shares			
Basic and diluted		24,591,508	1

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

AGAPI LUXURY BRANDS INC.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
(EXPRESSED IN CANADIAN DOLLARS)

	Number Of Common Shares	Share Capital $	Reserves $	Accumulated Other Comprehensive Loss $	Deficit $	Total Shareholders' Deficit $
Balance, June 11, 2021	-	-	-	-	-	-
Common share issued upon incorporation	1	1	-	-	-	1
Net loss for the period	-	-	-	-	(5,381)	(5,381)
Balance, June 30, 2021	1	1	-	-	(5,381)	(5,380)
Common shares issued for cash	28,400,000	335,000	-	-	-	335,000
Finders' fees - cash	-	(5,000)	-	-	-	(5,000)
Equity component of convertible debenture	-	-	177,128	-	-	177,128
Share-based compensation	-	-	249,013	-	-	249,013
Foreign exchange translation adjustments	-	-	-	(10,495)	-	(10,495)
Net loss for the year	-	-	-	-	(1,059,195)	(1,059,195)
Balance, June 30, 2022	28,400,001	330,001	426,141	(10,495)	(1,064,576)	(318,929)

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

AGAPI LUXURY BRANDS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(EXPRESSED IN CANADIAN DOLLARS)

	Year Ended June 30, 2022	For the period from Incorporation on June 11, 2021 to June 30, 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	(1,059,195)	(5,381)
Adjusted for:		
Share-based compensation	249,013	-
Interest and accretion	47,190	-
Inventory write down	14,764	-
Changes in non-cash operating working capital		
Inventory	(104,339)	-
Prepaid expenses and deposits	(198,636)	(9,600)
Accounts payable and accrued liabilities	248,329	5,381
Due to related party	(9,599)	9,599
Cash used in operating activities	(812,473)	(1)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of common shares	335,000	1
Share issuance costs	(5,000)	
Proceeds from convertible debentures	540,000	-
Cash provided by financing activities	870,000	1
Effect of foreign exchange rate changes on cash	(4,722)	-
Change in cash during the period	52,805	-
Cash, beginning of period	-	-
Cash, end of period	52,805	-

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Agapi Luxury Brands Inc. (the "Company") was incorporated pursuant to the provisions of the British Columbia Business Corporations Act on June 11, 2021. On May 17, 2023, the Company changed its name from Agape Lifestyle Inc. to Agapi Luxury Brands Inc. The Company's registered and records office address is 20th Floor, 250 Howe Street, Vancouver, BC, V6C 3R8.

The Company is engaged in the business of development, marketing, sales, and distribution of tobacco products.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. For the year ended June 30, 2022, the Company has not generated any revenues, incurred a net loss of $1,059,195, and had negative cash flow of $812,473 from operations. As at June 30, 2022, the Company had an accumulated deficit of $1,064,576. The Company's ability to continue as a going concern is dependent upon its ability in the future to achieve profitable operations and obtain the necessary financing to meet its near-term obligations such that it can repay its liabilities when they become due. The inability to achieve these objectives may cast significant doubt about the Company's ability to continue as a going concern.

2. BASIS OF PRESENTATION, USE OF ESTIMATES, ASSUMPTIONS, AND JUDGMENTS

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Presentation and functional currency

The consolidated financial statements of the Company are presented in Canadian dollars.

The functional currency of the Company is the Canadian dollar. The functional currency of the Company's wholly owned subsidiary, Freud Cigars LLC, is the United States dollar.

2. BASIS OF PRESENTATION (continued)

Use of estimates, assumptions, and judgments

The preparation of consolidated financial statements in conformity with IFRS requires the use of judgments and/or estimates that affect the amounts reported and disclosed in these consolidated financial statements and related notes. These judgments and estimates are based on management's best knowledge of the relevant facts and circumstances, having given regard to previous experience, but actual results may differ materially from the amounts included in the consolidated financial statements.

Carrying value of inventory

The Company records valuation adjustments for inventory by comparing the inventory cost to its net realizable value. The process requires the use of estimates and assumptions related to future market demand, costs, and prices. Such assumptions are reviewed and may have a significant impact on the valuation adjustments for inventory.

Accounting for debt financing transactions

Upon entering into a debt financing transaction, the Company applies judgment in assessing the appropriate accounting treating by considering the specific terms of the debt financing transaction to identify any potential embedded derivatives, and to determine the appropriate valuation methodology. The Company determined that the convertible debentures issued are compound financial instruments that contains both a liability and an equity component. The fair value of the liability component is determined by calculating the net present value of the contractual stream of future cash flows discounted using the Company's estimated cost of borrowing. The equity component is then assigned as the residual amount.

Share-based compensation

Fair values are determined using the Black-Scholes option pricing model. Estimating fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. Option-pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. Changes in the underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not necessarily provide reliable measurement of the fair value of the Company's stock options.

Going concern

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

3. SIGNIFICANT ACCOUNTING POLICIES

Consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Freud Cigars, LLC. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity and be exposed to the variable returns from its activities. All intercompany transactions are eliminated upon the preparation of these consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies

Functional and presentation currency

The functional currency is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and its subsidiary was determined by conducting an analysis of the consideration factors identified in IAS 21, *"The Effects of Changes in Foreign Exchange Rates"* ("IAS 21"). The functional currency of the Company and its subsidiaries is included within Note 2.

Translation of foreign transactions and balances into the functional currency

Foreign currency transactions are translated into the functional currency at rates of exchange prevailing on the dates of the transactions. At each reporting date, all monetary assets and liabilities that are denominated in foreign currencies are translated to the functional currency at the rate prevailing at the date of the statement of financial position. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in the consolidated statement of operations.

Translation of the functional currency into the presentation currency

The results of operations which have a different presentation currency than the Company are translated to Canadian dollars at appropriate average rates of exchange during the period. The assets and liabilities of these operations are translated to Canadian dollars at rates of exchange in effect at the end of the period. Gains or losses arising on translation of these operations to Canadian dollars at period end are recognized in accumulated other comprehensive income /loss as a translation adjustment.

Share-based payments

The Company makes periodic grants of share-based awards to selected directors, officers, employees, and others providing similar services.

The fair value of the equity-settled awards is determined at the date of the grant by using the Black-Scholes Option Pricing Model. At each reporting date prior to vesting, the cumulative expense representing the extent to which the vesting period has expired and management's best estimate of the awards that are ultimately expected to vest is computed. The movement in cumulative expense is recognized in the consolidated statement of operations and comprehensive loss with a corresponding entry within equity, against the reserve for equity settled share-based transactions. No expense is recognized for awards that do not ultimately vest.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

Income tax on the net income or loss for the periods presented comprises current and deferred tax. Income tax is recognized in the consolidated statement of operations except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded by providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities which affect neither accounting nor taxable loss as well as differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the consolidated statement of financial position.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Loss per share

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Financial instruments

Financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI, are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income.

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Cash is classified as amortized cost.

3. ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Impairment

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in the consolidated statement of operations for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through consolidated statement of operations to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial liabilities

Financial liabilities are designated as either: (i) FVTPL; or (ii) other financial liabilities. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the balance sheet subsequent to inception and how changes in value are recorded. Accounts payable and accrued liabilities is classified on the balance sheet at amortized cost.

Share capital

Common shares are classified as shareholders' equity. Incremental costs directly attributable to the issue of common shares and other equity instruments are recognized as a deduction from shareholders' equity. Common shares issued for consideration other than cash, are valued based on their market value at the date the shares are issued.

The Company has adopted a residual value method with respect to the measurement of warrants attached to private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in the private placements to be the more easily measurable component and the common shares are valued at their fair value, as determined by the closing market price on the announcement date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves.

Impairment of non-financial assets

The Company reviews the carrying amounts of its non-financial assets, including property and equipment and other-non-current assets, when events or changes in circumstances indicate the assets may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. Assets carried at fair value are excluded from impairment analysis.

3. ACCOUNTING POLICIES (continued)

Impairment of non-financial assets (continued)

The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows to be derived from continuing use of the asset or cash generating unit 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. Fair value less costs of disposal is the amount obtainable from the sale of an asset or cash generating unit in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal. When a binding sale agreement is not available, fair value less costs of disposal is estimated using a discounted cash flow approach with inputs and assumptions consistent with those of a market participant. If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash generating unit is reduced to its recoverable amount. An impairment loss is recognized immediately in net income. 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, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized.

Inventory

The Company defines inventory as all purchased raw materials and finished goods for resale, consumable supplies, and accessories.

Raw materials and finished goods are initially recognized at cost and subsequently valued at the lower of average cost and net realizable value ("NRV"). The Company reviews for obsolescence, redundancy, and slow turnover and any such inventory are written down to net realizable value.

Revenue

The Company's accounting policy for revenue recognition under IFRS 15 is as follows:

To determine the amount and timing of revenue to be recognized, the Company follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognizing revenue when/as performance obligation(s) are satisfied.

Revenue from the sale of tobacco products is recognized when the risks and rewards of the products have been substantially transferred to the customer (usually on shipment of the goods), which is the Company's sole performance obligation. The Company records a provision obligation for estimated returns based on historical experience and market expectations.

Marketing programs provided to customers and operators, including volume rebates, cooperative advertising, and other trade marketing programs, are all customer-specific programs to promote the Company's products. Consequently, sales are recorded net of these estimated marketing costs at the time of sale. All other non-customer-specific marketing costs (general advertising, etc.) are expensed as incurred as selling, general, and administrative expenses.

(EXPRESSED IN CANADIAN DOLLARS)

3. ACCOUNTING POLICIES (continued)

New accounting policies

The Company has not yet adopted certain standards, interpretations to existing standards and amendments which have been issued but have an effective date later than July 1, 2021. Many of these updates are not currently relevant to the Company and are therefore not discussed herein.

4. INVENTORY

	June 30, 2022	June 30, 2021
	$	$
Finished goods	86,689	-

5. PREPAID EXPENSES AND DEPOSITS

	June 30, 2022	June 30, 2021
	$	$
Prepaid consulting, prepaid rent, and other advances	60,117	9,600
Deposits for inventory	141,424	-
Total	201,541	9,600

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	June 30, 2022	June 30, 2021
	$	$
Accounts payable (Note 9)	207,998	5,381
Accrued liabilities	41,904	-
Total	249,902	5,381

(EXPRESSED IN CANADIAN DOLLARS)

7. CONVERTIBLE DEBENTURES

	November 2021	February 2022	June 2022	Total
	$	$	$	$
Balance, June 30, 2021	-	-	-	-
Convertible debenture issued	350,000	75,000	115,000	540,000
Conversion feature allocated to reserves	(114,805)	(24,601)	(37,722)	(177,128)
Accretion expense	20,202	2,936	120	23,258
Interest expense	21,097	2,771	64	23,932
Balance, June 30, 2022	255,397	56,106	77,462	410,062

On November 22, 2021, the Company issued convertible debentures for proceeds of $350,000. The convertible debentures are convertible into units at $0.025 per unit. Each unit will consist of one common share and one share purchase warrant exercisable at $0.05 per common share for a period of two years from the conversion date. The debentures accrue interest at an annual rate of 10% and mature on November 22, 2024. The net present value of the convertible debentures was determined to be $235,195 using a discount rate of 24.56%. The fair value of the equity component was determined to be $114,805 based on the residual method and recorded in reserves with an equivalent discount on the convertible debentures. The accretion of the discount is being recognized over the term of the debt. During the year ended June 30, 2022, the Company recognized accretion expense of $20,202.

On February 2, 2022, the Company issued convertible debentures for proceeds of $75,000. The convertible debentures are convertible into units at $0.025 per unit. Each unit will consist of one common share and one share purchase warrant exercisable at $0.05 per common share for a period of two years from the conversion date. The debentures accrue interest at an annual rate of 10% and mature on February 2, 2025. The net present value of the convertible debentures was determined to be $50,399 using a discount rate of 24.56%. The fair value of the equity component was determined to be $24,601 based on the residual method and recorded in reserves with an equivalent discount on the convertible debentures. The accretion of the discount is being recognized over the term of the debt. During the year ended June 30, 2022, the Company recognized accretion expense of $2,936.

On June 28, 2022, the Company issued convertible debentures for proceeds of $115,000. The convertible debenture units are convertible units at $0.025 per unit. Each unit will consist of one common share and one share purchase warrant exercisable at $0.05 per common shares for a period of two years from the conversion date. The debentures accrue interest at an annual rate of 10% and mature on June 28, 2025. The net present value of the convertible debentures was determined to be $77,278 using a discount rate of 24.56%. The fair value of the equity component was determined to be $37,722 based on the residual method and recorded in reserves with an equivalent discount on the convertible debentures. The accretion of the discount is being recognized over the term of the debt. During the year ended June 30, 2022, the Company recognized accretion expense of $120.

8. SHARE CAPITAL AND RESERVES

Authorized

Unlimited common shares with no par value

Issued

Share transactions during the year ended June 30, 2022:

a) On July 5, 2021 the Company completed a private placement of 20,000,000 common shares at a price of $0.005 per share for proceeds of $100,000.

b) On November 10, 2021, the Company completed a private placement of 7,000,000 common shares at a price of $0.005 per share for proceeds of $35,000.

c) On February 24, 2022, the Company completed a private placement of 500,000 units at a price of $0.10 per unit for proceeds of $50,000. Each unit consisted of one common share and one-half of one share purchase warrant. Each whole share purchase warrant is exercisable at $0.20 per common share expiring on February 24, 2024

d) On February 24, 2022, the Company completed a private placement of 200,000 units at a price of $0.25 per unit for proceeds of $50,000. Each unit consisted of one common share and one-half of one share purchase warrant. Each whole share purchase warrant exercisable at $0.50 per common share expiring on February 24, 2024. The Company incurred share issuance costs of $5,000 in relation to the private placement.

e) On March 31, 2022, the Company completed a private placement of 500,000 units at a price of $0.10 per unit for proceeds of $50,000. Each unit consisted of one common share and one-half of one share purchase warrant. Each whole share purchase warrant is exercisable at per common share expiring on March 31, 2024.

f) On March 31, 2022, the Company completed a private placement of 200,000 units at a price of $0.25 per unit for proceeds of $50,000. Each unit consisted of one common share and one-half of one share purchase warrant. Each whole share purchase warrant is exercisable at $0.50 per common shares expiring on March 31, 2024.

Share transactions for the period ended June 30, 2021:

g) On June 11, 2021, the Company issued 1 common share for proceeds of $1.

(EXPRESSED IN CANADIAN DOLLARS)

8. SHARE CAPITAL AND RESERVES (continued)

Share Purchase Warrants

A summary of share purchase warrants activity is as follows:

	Number of Warrants	Weighted Average Exercise Price
		$
Balance at June 21, 2021 and June 30, 2021	-	-
Issued	50,700,000	0.02
Balance at June 30, 2022	50,700,000	0.02

The following table summarizes the share purchase warrants outstanding as of June 30, 2022:

Expiry date	Number of Warrants	Weighted Average Exercise Price $	Weighted Average Remaining Years
August 2, 2031	50,000,000	0.02	9.10
February 24, 2024	250,000	0.20	1.65
March 31, 2024	250,000	0.20	1.75
February 24, 2024	100,000	0.50	1.65
March 31, 2024	100,000	0.50	1.75
	50,700,000	0.02	8.99

On August 3, 2021, the Company issued 50,000,000 share purchase warrants exercisable at $0.02 per common share expiring on August 31, 2031, to the President of the Company. For the year ended June 30, 2022, share-based compensation expense of $249,013 was recognized. To determine the fair value of the warrants the Company used the Black-Scholes option pricing model using the following weighted average assumptions:

	June 30, 2022	June 30, 2021
Risk-free interest rate	2.75%	NA
Expected life (years)	10	NA
Annualized volatility	150%	NA
Dividend rate	0%	NA
Weighted average fair value per warrant	$0.02	NA

(EXPRESSED IN CANADIAN DOLLARS)

9. RELATED PARTY TRANSACTIONS

Key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers and/or companies controlled by those individuals.

During the year ended June 30, 2022, the Company entered the following key expense transactions:

	June 30, 2022	**June 30, 2021**
	$	$
Share-based compensation - President of the Company (Note 8)	249,013	-
Expense reimbursements, office expenses - President the Company	5,926	-
Expense reimbursements, meals and entertainment - President of the Company	51,373	-
Expense reimbursements, travel expenses - President of the Company	52,002	-
Consulting fees, Operations Manager for Freud Cigars LLC	140,454	-
Total	498,768	

During the year ended June 30, 2022, the Company entered the following related party equity transactions:

	June 30, 2022	**June 30, 2021**
	$	$
Subscription for 16,000,000 shares - President of the Company	80,000	-
Subscription for 3,000,000 shares - Significant shareholder of the Company	15,000	-
Total	95,000	

As at June 30, 2022, the following balances with related parties were outstanding:

	June 30, 2022	**June 30, 2021**
	$	$
Convertible debentures - President of Company	307,705	-
Convertible debentures - Significant shareholder of the Company	178,454	-
Convertible debentures - Son of President of the Company	25,726	-
Accounts payable - President of the Company	94,266	-
Accounts payable - Signficant shareholder of the Company	25,867	-
Total	632,018	-

(EXPRESSED IN CANADIAN DOLLARS)

10. GENERAL AND ADMINISTRATIVE EXPENSES

	June 30, 2022	June 30, 2021
	$	$
Meals and entertainment (Note 9)	56,881	-
Office expenses and general administration (Note 9)	12,549	2,196
Rent	24,794	-
Travel (Note 9)	78,663	1,332
Total	172,887	3,528

11. FINANCIAL INSTRUMENTS

Fair values

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

The fair values of financial instruments, which included cash, accounts payable and accrued liabilities, and due to related party, approximate their carrying values due to the relatively short-term maturity of these instruments.

Financial risk management

The Company may be exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives. The main objective of the Company's risk management processes is to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed are described below.

11. FINANCIAL INSTRUMENTS (continued)

Credit risk

Credit risk is the risk of potential loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash. Cash is held with reputable Canadian financial institutions, from which management believes the risk of loss is remote. The Company's maximum credit risk exposure is equivalent to the carrying value of cash.

Interest rate risk

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. The Company is not exposed to significant interest rate risk as it does not have any liabilities with variable rates.

Liquidity risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company manages liquidity risk by reviewing its capital requirements on an ongoing basis.

The following amounts are the contractual maturities of financial liabilities as at June 30, 2022 and 2021:

2022	Total $	Within 1 year $	Within 2-5 years $
Accounts payable and accrued liabilities	249,902	249,902	–
Convertible debentures	410,062	–	410,062
	659,964	249,902	410,062

2021	Total $	Within 1 year $	Within 2-5 years $
Accounts payable and accrued liabilities	5,381	5,381	–
Due to related party	9,599	9,599	–
	14,980	14,980	–

Foreign exchange rate risk

Foreign exchange rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities are denominated in a foreign currency.

The Company's subsidiary operates in the U.S. and has certain monetary financial instruments denominated in U.S. dollars. The Company has not entered into foreign exchange rate contracts to mitigate this risk.

The following table indicates the impact of foreign currency exchange risk on net working capital as at June 30, 2022. The table below also provides a sensitivity analysis of a 10% strengthening of the foreign currency against functional currencies identified which would have increased (decreased) the Company's net loss by the amounts shown in the table below. A 10% weakening of the foreign currency against the functional currencies would have had the equal but opposite effect as at June 30, 2022.

(EXPRESSED IN CANADIAN DOLLARS)

11. FINANCIAL INSTRUMENTS (continued)

Foreign exchange rate risk (continued)

	US$
Cash	16,529
Accounts payable and accrued liabilities	(88,769)
Total foreign currency financial assets and liabilities	(72,240)
Impact of a 10% strengthening or weakening of foreign exchange rate	(7,224)

12. CAPITAL MANAGEMENT

The Company defines capital as equity. The Company manages its capital structure and makes adjustments in order to have the funds available to support its operating activities.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern and to pursue the development of its business. The Company manages its capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new equity instruments, new debt, or acquire and/or dispose of assets. As discussed in Note 1, the Company's ability to continue as a going concern is uncertain and dependent upon the continued financial support of its shareholders, future profitable operations, and securing additional financing.

Management reviews its capital management approach on an ongoing basis. There were no changes in the Company's approach to capital management during the period presented. The Company is not subject to externally imposed capital requirements.

13. SEGMENTED INFORMATION

The Company operates in one reportable business segment, the marketing and distribution of tobacco products. The Company defines its reportable segments based on geographical locations – Canada, and USA. Reportable segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources, and in assessing performance. As at June 30, 2022 and 2021, the Company has no non-current assets or revenues.

(EXPRESSED IN CANADIAN DOLLARS)

14. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	June 30, 2022 $	June 30, 2021 $
Loss for the period	(1,059,195)	(5,381)
Expected income tax expense (recovery)	(116,511)	(592)
Permanent differences and other	27,619	-
Tax rate difference for foreign jurisdiction	(39,159)	-
Change in unrecognized deductible temporary differences	128,051	592
Total income tax expense (recovery)	-	-

The significant components of the Company's deferred income tax assets that have not been included on the consolidated statement of financial position are as follows:

	June 30, 2022 $	June 30, 2021 $
Deferred tax assets		
Share issuance costs	440	-
Non-capital losses	128,203	592
	128,643	592
Unrecognized deferred tax assets	(128,643)	(592)
Net deferred tax assets	-	-

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	June 30, 2022 $	Expiry Date Range	June 30, 2021 $	Expiry Date Range
Temporary Differences				
Share issuance costs	4,000	2042 to 2045	-	-
Non-capital losses available for future periods	809,487		5,381	
Canada	417,893	2041 to 2042	5,381	2041
USA	391,594	No expiry date	-	No expiry date

15. SUBSEQUENT EVENTS

Subsequent to June 30, 2022, the Company completed the following transactions:

a) On August 5, 2022, the Company issued convertible debentures for proceeds of $105,000. The convertible debentures are convertible into units at $0.025 per unit. Each unit will consist of one common share and one share purchase warrant exercisable at $0.05 per common share for a period of two years from the conversion date. The debentures bear interest at 10% per annum and mature on August 5, 2025. Of the total $47,000 was issued to the President of the Company and $33,000 was issued to a significant shareholder of the Company and a company controlled by him.

b) On August 5, 2022 the Company completed a private placement of 125,000 common shares at $0.10 per share for proceeds of $12,500.

c) On August 5, 2022 the Company completed a private placement of 50,000 units at $0.25 per unit for proceeds of $12,500. Each unit consisted of one common share and one-half of one share purchase warrant exercisable at $0.50 per common share for expiring on August 5, 2024. On May 31, 2023, the exercise price for the share purchase warrants was amended to $0.17 per common share.

d) On November 21, 2022, the Company issued convertible debentures for proceeds of $12,500. The convertible debentures are convertible into units at $0.025 per unit. Each unit will consist of one common share and one share purchase warrant exercisable at $0.05 per common share for a period of two years from the conversion date. The debentures bear interest at 10% per annum and mature on November 21, 2025.

e) On November 21, 2022 the Company completed a private placement of 62,500 units at $0.10 per share for proceeds of $6,250. Each unit consisted of one common share and one-half of one share purchase warrant. Each whole warrant is exercisable at $0.20 per common share for expiring on November 21, 2024.

f) On November 21, 2022 the Company completed a private placement of 25,000 units at $0.25 per unit for proceeds of $6,250. Each unit consisted of one common share and one-half of one share purchase warrant. Each whole share purchase warrant is exercisable at $0.50 per common share expiring on November 21, 2024. On May 31, 2023, the exercise price for the share purchase warrants was amended to $0.17 per common share.

g) On December 1, 2022 the Company completed a private placement of 1,125,000 units at a price of $0.20 per unit for proceeds of $225,000. Each unit consisted of one common share and one share purchase warrant exercisable at $0.40 per common share expiring on December 1, 2024. On May 31, 2023, the exercise price for 875,000 of the share purchase warrants was amended to $0.13 per common share.

h) The Company issued promissory notes for total proceeds of $558,675 which bear interest at 5% per annum and are due on demand. Of the total, $313,500 was received from the President of the Company and $245,175 was received from a significant shareholder of the Company and companies controlled by him.

i) On April 30, 2023, convertible debentures with an aggregate principal balance of $657,500 plus accrued interest payable of $77,433 were converted into 29,397,317 units. Each unit consisted of one common share and one share purchase warrant exercisable at $0.05 per common share expiring on April 30, 2025. Included in these conversions were 12,107,025 units issued to convert $302,676 owed to the President of the Company, 1,123,836 units issued to convert $28,096 owed to the son of the President of the Company, and 12,323,441 units to convert $308,086 owed to a significant shareholder of the Company and a company controlled by him.

(EXPRESSED IN CANADIAN DOLLARS)

15. SUBSEQUENT EVENTS (Continued)

j) On May 8, 2023, the Company issued 3,419,630 common shares to settle outstanding debt totaling $341,963. The President of the Company converted $156,375 of outstanding debt to 1,563,700 common shares. A significant shareholder converted $122,588 of outstanding debt to 1,225,880 common shares. The son of the President of the Company converted $26,250 of outstanding debt to 262,500 common shares.

k) On May 10, 2023, the Company entered into a binding letter of intent (the "LOI") to enter a business combination with Cypher Metaverse Inc. ("Cypher") whereby Cypher will acquire 100% of the issued and outstanding shares of the Company in exchange for 50,000,000 common shares. Cypher also agreed to lend the Company $600,000 by way of a secured bridge loan bearing annual interest of 8% (the "Bridge Loan"). The Bridge Loan will be forgiven by Cypher upon completion of the transaction. The Bridge Loan will be repayable within six months of termination of the Definitive Agreement in accordance with its terms.

l) On May 31, 2023, the Company amended certain subscription agreements which resulted in the issuance of an additional 2,700,000 common shares and 2,225,000 warrants with no requirement to contribute additional capital to the Company. Warrants issued in accordance with the subscription amendments were as follows:

Expiry date	**Number of Warrants**	**Exercise Price**
		$
March 31, 2024	200,000	0.17
February 24, 2024	200,000	0.17
August 5, 2024	50,000	0.17
November 21, 2024	25,000	0.17
December 1, 2024	1,750,000	0.13
	2,225,000	

m) On May 31, 2023, the Company amended the exercise prices of certain share purchase warrants as follows: the exercise price of 100,000 share purchase warrants expiring on February 24, 2024 was amended from $0.50 to $0.17 per common share and the exercise price of 100,000 share purchase warrants expiring on March 31, 2024 was amended from $0.50 to $0.17 per common share.

AGAPI LUXURY BRANDS INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the nine-month period ended March 31, 2023

(Expressed in Canadian Dollars)

(UNAUDITED)

AGAPI LUXURY BRANDS INC.
CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS – (UNAUDITED)
(Expressed in Canadian Dollars)

	Note	March 31, 2023	June 30 2022
		$	$
ASSETS			
Current			
Cash		2,665	52,805
Accounts receivable		42,124	-
Inventory	4	114,059	86,689
Prepaid expenses and deposits	5	252,033	201,541
Total current assets		410,881	341,035
LIABILITIES			
Current			
Account payable and accrued liabilities	6	315,792	249,902
Promissory notes	7	355,388	-
		671,180	249,902
Non-current liabilities			
Convertible debentures	8	584,389	410,062
Total liabilities		1,255,569	659,964
SHAREHOLDERS' DEFICIT			
Share capital	9	590,001	330,001
Reserves	9	464,218	426,141
Accumulated other comprehensive loss		1,772	(10,495)
Deficit		(1,900,679)	(1,064,576)
Total shareholders' deficit		(844,688)	(318,929)
Total liabilities and shareholders's deficit		410,881	341,035

Nature and continuance of operations (Note 1)
Subsequent events (Note 15)

Approved on behalf of the Board and authorized for issuance on September 15, 2023:

"David Stadnyk"
David Stadnyk, Director

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

AGAPI LUXURY BRANDS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS – (UNAUDITED)
(Expressed in Canadian Dollars)

	Note	Three months ended March 31 2023	Three months ended March 31 2022	Nine months ended March 31 2023	Nine months ended March 31 2022
		$	$	$	$
Revenue		135,572	-	671,710	-
Cost of goods Sold		66,814	-	307,132	-
Gross Margin		68,758	-	364,578	-
EXPENSES					
Advertising and promotion		87,501	23,754	250,717	34,385
General and administrative	10	106,395	81,452	324,676	109,937
Consulting fees	11	79,679	149,393	377,361	202,000
Professional fees		22,450	(3,460)	108,332	64,679
Royalties	11	8,135	-	40,303	-
Share based compensation	9	-	-	-	249,013
Interest - promissory notes	7	4,388	-	4,388	-
Interest and accretion	8	27,915	18,664	94,904	26,470
Total expenses		336,463	269,803	1,200,681	686,484
Net loss		(267,705)	(269,803)	(836,103)	(686,484)
Foreign currency translation		3,395	13,265	(12,267)	13,265
Net and comprehensive loss		(264,310)	(256,538)	(848,370)	(673,219)
Loss per share					
Basic and diluted		(0.01)	(0.01)	(0.03)	(0.03)
Weighted average number of common shares					
Basic and diluted		29,787,501	27,408,121	29,086,224	23,645,348

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

AGAPI LUXURY BRANDS INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY) – (UNAUDITED)
(Expressed in Canadian Dollars)

	Number of Common Shares	Share Capital	Reserves	Accumulated Other Comprehensive Loss	Deficit	Total Shareholders' Equity (Deficiency)
		$	$		$	$
Balance, June 30, 2021	1	1	-	-	(5,381)	(5,380)
Common shares issued for cash	28,400,000	335,000	-	-	-	335,000
Share issuance costs	-	(5,000)	-	-	-	(5,000)
Equity component on convertible debenture	-	-	139,406	-	-	139,406
Share based compensation	-	-	249,013	-	-	249,013
Translation adjustment	-	-	-	12,267	-	12,267
Net loss for the period	-	-	-	-	(686,484)	(686,484)
Balance, March 31, 2022	28,400,001	330,001	388,419	12,267	(691,865)	38,822
Balance, June 30, 2022	28,400,001	330,001	426,141	(10,495)	(1,064,576)	(318,929)
Common shares issued for cash	1,387,500	262,500	-	-	-	262,500
Share issuance costs	-	(2,500)	-	-	-	(2,500)
Equity component on convertible debenture	-	-	38,077	-	-	38,077
Translation adjustment	-	-	-	12,267	-	12,267
Net loss for the period	-	-	-	-	(836,103)	(836,103)
Balance, March 31, 2023	29,787,501	590,001	464,218	1,772	(1,900,679)	(844,688)

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

AGAPI LUXURY BRANDS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS – (UNAUDITED)
(Expressed in Canadian Dollars)

	Nine months ended March 31 2023	Nine months ended March 31 2022
	$	$
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	(836,103)	(686,484)
Adjusted for:		
Share based compensation	-	249,013
Interest and accretion	94,904	26,470
Changes in non-cash working capital		
Accounts receivable	(42,124)	-
Inventory	(27,088)	-
Prepaid expenses and deposits	(43,137)	(274,891)
Accounts payable and accrued liabilities	63,818	111,769
Due to related party	-	15,401
Accrued interest	4,388	-
Cash used in operating activities	(785,342)	(558,722)
CASH FLOWS FROM FINANCING ACTIVITIES		
Common shares issued for cash	262,500	335,000
Share issuance costs	(2,500)	(5,000)
Convertible debenture	117,500	425,000
Promissory notes	351,000	-
Cash provided in financing activities	728,500	755,000
Effect of foreign exchange on cash	6,702	(7,830)
Change in cash during the period	(50,140)	188,448
Cash, beginning of period	52,805	-
Cash, end of period	2,665	188,448
Supplemental cash flow disclosure:		
Equity component of convertible debentures	30,021	90,204

No cash was paid for interest or income taxes for the periods presented.

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Agapi Luxury Brands Inc. (the "Company") was incorporated pursuant to the provisions of the British Columbia Business Corporations Act on June 11, 2021. On May 17, 2023, the Company changed its name from Agape Lifestyle Inc. to Agapi Luxury Brands Inc. The Company's registered and records office address is 20th Floor, 250 Howe Street, Vancouver, BC, V6C 3R8.

The Company is engaged in the business of development, marketing, sales, and distribution of tobacco products.

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The condensed consolidated interim financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. The Company has incurred a net loss of $836,103 and an accumulated deficit of $1,900,679 for the period ended March 31, 2023. The Company's ability to continue as a going concern is dependent upon its ability in the future to achieve profitable operations and, obtain the necessary financing to meet its near-term obligations such that it can repay its liabilities when they become due. The inability to achieve these objectives may cast significant doubt about the Company's ability to continue as a going concern.

2. BASIS OF PRESENTATION, USE OF ESTIMATES, ASSUMPTIONS, AND JUDGEMENTS

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") in accordance with International Accounting Standards 34, *"Interim Financial Reporting"* ("IAS 34") as issued by the International Accounting Standards Board ("IASB"), and interpretations of the IFRS Interpretations Committee ("IFRIC").

Basis of measurement

These condensed consolidated interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Presentation and functional currency

The condensed consolidated interim financial statements of the Company are presented in Canadian dollars.

The functional currency of the Company is the Canadian dollar. The functional currency of the Company's wholly owned subsidiary, Freud Cigars LLC, is the United States dollar.

2. BASIS OF PRESENTATION (Continued)

Use of estimates, assumptions, and Judgements (Continued)

The preparation of consolidated financial statements in conformity with IFRS requires the use of judgments and/or estimates that affect the amounts reported and disclosed in these consolidated financial statements and related notes. These judgments and estimates are based on management's best knowledge of the relevant facts and circumstances, having given regard to previous experience, but actual results may differ materially from the amounts included in the consolidated financial statements.

Carrying value of inventory

The Company records valuation adjustments for inventory by comparing the inventory cost to its net realizable value. The process requires the use of estimates and assumptions related to future market demand, costs, and prices. Such assumptions are reviewed and may have a significant impact on the valuation adjustments for inventory.

Accounting for debt financing transactions

Upon entering into a debt financing transaction, the Company applies judgment in assessing the appropriate accounting treating by considering the specific terms of the debt financing transaction to identify any potential embedded derivatives, and to determine the appropriate valuation methodology. The Company determined that the convertible debentures issued are compound financial instruments that contains both a liability and an equity component. The fair value of the liability component is determined by calculating the net present value of the contractual stream of future cash flows discounted using the Company's estimated cost of borrowing. The equity component is then assigned as the residual amount.

Share-based compensation

Fair values are determined using the Black-Scholes option pricing model. Estimating fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. Option-pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. Changes in the underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not necessarily provide reliable measurement of the fair value of the Company's stock options.

Going concern

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

3. SIGNIFICANT ACCOUNTING POLICIES

Consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its subsidiary, which are controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity and be exposed to the variable returns from its activities. All intercompany transactions are eliminated upon the preparation of these condensed consolidated interim financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

Foreign currencies

Functional and presentation currency

The functional currency is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and its subsidiaries was determined by conducting an analysis of the consideration factors identified in IAS 21, *"The Effects of Changes in Foreign Exchange Rates"* ("IAS 21"). The functional currency of the Company and its subsidiaries is included within Note 2.

Translation of foreign transactions and balances into the functional currency

Foreign currency transactions are translated into the functional currency of the Company at rates of exchange prevailing on the dates of the transactions. At each reporting date, all monetary assets and liabilities that are denominated in foreign currencies are translated to the functional currency of the Company at the rates prevailing at the date of the balance sheet. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss.

Translation of the functional currency into the presentation currency

The results of operations which have a different presentation currency than the Company are translated to Canadian dollars at appropriate average rates of exchange during the period. The assets and liabilities of these operations are translated to Canadian dollars at rates of exchange in effect at the end of the period. Gains or losses arising on translation of these operations to Canadian dollars at period end are recognized in accumulated other comprehensive loss as a translation adjustment.

Share-based payments

The Company makes periodic grants of share-based awards to selected directors, officers, employees and others providing similar.

The fair value of the equity-settled awards is determined at the date of the grant by using the Black-Scholes Option Pricing Model. At each reporting date prior to vesting, the cumulative expense representing the extent to which the vesting period has expired and management's best estimate of the awards that are ultimately expected to vest is computed. The movement in cumulative expense is recognized in the consolidated statement of operations and comprehensive loss with a corresponding entry within equity, against the reserve for equity settled share-based transactions. No expense is recognized for awards that do not ultimately vest.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded by providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities which affect neither accounting nor taxable loss as well as differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the consolidated balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Loss per share

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Convertible debentures

Convertible instruments are compound financial instruments which are accounted for separately by their components: a financial liability and an equity instrument. The financial liability, which represents the obligation to pay coupon interest on the convertible debentures in the future, is initially measured at its fair value and subsequently measured at amortized cost. The residual amount is accounted for as an equity instrument at issuance. The identification of convertible debenture components is based on interpretations of the substance of the contractual arrangement and therefore requires judgement from management. The separation of the components affects the initial recognition of the convertible debenture at issuance and the subsequent recognition of interest on the liability component. The determination of the fair value of the liability is also based on a number of assumptions, including contractual future cash flows, discount rates and the presence of any derivative financial instruments.

3. ACCOUNTING POLICIES (Continued)

Financial instruments

Financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI, are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income.

The classification determines the method by which the financial assets are carried on the balance sheet subsequent to inception and how changes in value are recorded. Cash and receivables are recorded at amortized cost.

Impairment

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial liabilities

Financial liabilities are designated as either: (i) FVTPL; or (ii) other financial liabilities. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the balance sheet subsequent to inception and how changes in value are recorded. Accounts payable and accrued liabilities, promissory notes, and convertible debentures are classified on the balance sheet at amortized cost.

3. ACCOUNTING POLICIES (Continued)

Share capital

Common shares are classified as shareholders' equity. Incremental costs directly attributable to the issue of common shares and other equity instruments are recognized as a deduction from shareholders' equity. Common shares issued for consideration other than cash, are valued based on their market value at the date the shares are issued.

The Company has adopted a residual value method with respect to the measurement of warrants attached to private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in the private placements to be the more easily measurable component and the common shares are valued at their fair value, as determined by the closing market price on the announcement date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves.

Impairment of non-financial assets

The Company reviews the carrying amounts of its non-financial assets, including other-non-current assets, when events or changes in circumstances indicate the assets may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. Assets carried at fair value are excluded from impairment analysis.

The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows to be derived from continuing use of the asset or cash generating unit 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. Fair value less costs of disposal is the amount obtainable from the sale of an asset or cash generating unit in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal. When a binding sale agreement is not available, fair value less costs of disposal is estimated using a discounted cash flow approach with inputs and assumptions consistent with those of a market participant. If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash generating unit is reduced to its recoverable amount. An impairment loss is recognized immediately in net income. 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, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized.

3. ACCOUNTING POLICIES (Continued)

Inventory

The Company defines inventory as all purchased raw materials and finished goods for resale, consumable supplies, and accessories.

Raw materials and finished goods are initially recognized at cost and subsequently valued at the lower of average cost and net realizable value ("NRV"). The Company reviews for obsolescence, redundancy and slow turnover and any such inventory are written down to net realizable value.

Revenue

The Company's accounting policy for revenue recognition under IFRS 15 is as follows:

To determine the amount and timing of revenue to be recognized, the Company follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognizing revenue when/as performance obligation(s) are satisfied.

Revenue from the sale of tobacco products is recognized when the risks and rewards of the products have been substantially transferred to the customer (usually on shipment of the goods), which is the Company's sole performance obligation. The Company records a provision obligation for estimated returns based on historical experience and market expectations. Collection of the Company's invoices typically occurs within 90 days of the sale.

Marketing programs provided to customers and operators, including volume rebates, cooperative advertising and other trade marketing programs, are all customer-specific programs to promote the Company's products. Consequently, sales are recorded net of these estimated marketing costs at the time of sale. All other non-customer-specific marketing costs (general advertising, etc.) are expensed as incurred as selling, general and administrative expenses.

(Expressed in Canadian Dollars)

3. ACCOUNTING POLICIES (Continued)

New accounting policies

The Company has not yet adopted certain standards, interpretations to existing standards and amendments which have been issued but have an effective date later than July 1, 2022. Many of these updates are not currently relevant to the Company and are therefore not discussed herein.

4. INVENTORY

	March 31 2023	June 30 2022
	$	$
Packaging	452	-
Finished goods	113,607	86,689
Total	114,059	86,689

During the nine-month period ended March 31, 2023, inventory expensed to cost of goods sold was $195,823 (2022 - $Nil).

5. PREPAID EXPENSES AND DEPOSITS

	March 31 2023	June 30 2022
	$	$
Prepaid expenses	80,250	60,117
Deposits for inventory	171,783	141,424
Total	252,033	201,541

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31 2023	June 30 2022
	$	$
Accounts payable	270,191	207,998
Accrued royalty	41,312	-
Accrued liabilities	4,289	41,904
Total	315,792	249,902

7. PROMISSORY NOTES

	March 31 2023	June 30 2022
	$	$
Promissory note issued	351,000	-
Accrued interest	4,388	-
Total	355,388	-

The promissory notes accrue annual interest of 5%, are unsecured, and are due on demand.

(Expressed in Canadian Dollars)

8. CONVERTIBLE DEBENTURES

	November 2021	February 2022	June 2022	August 2022	November 2022	Total
	$	$	$	$	$	$
Balance, June 30, 2021	-	-	-	-	-	-
Convertible debenture issued	350,000	75,000	115,000	-	-	540,000
Conversion feature allocated to reserves	(114,805)	(24,601)	(37,722)	-	-	(177,128)
Accretion expense	21,097	2,936	120	-	-	24,153
Interest expense	20,202	2,771	64	-	-	23,037
Balance, June 30, 2022	276,494	56,106	77,462	-	-	410,062
Convertible debenture issued	-	-	-	105,000	12,500	117,500
Conversion feature allocated to reserves	-	-	-	(34,049)	(4,028)	(38,077)
Accretion expense	26,446	5,433	8,068	6,792	513	47,252
Interest expense	26,153	5,604	8,593	6,854	448	47,652
Balance, March 31, 2023	329,093	67,143	94,123	84,597	9,433	584,389

On November 22, 2021, the Company issued convertible debentures for proceeds of $350,000. The convertible debentures are convertible into units at $0.025 per unit. Each unit will consist of one common share and one share purchase warrant exercisable at $0.05 per common share for a period of two years from the conversion date. The debentures accrue interest at an annual rate of 10% and mature on November 22, 2024. The net present value of the convertible debentures was determined to be $235,195 using a discount rate of 24.56%. The fair value of the equity component was determined to be $114,805 based on the residual method and recorded in reserves with an equivalent discount on the convertible debentures. The accretion of the discount is being recognized over the term of the debt.

On February 2, 2022, the Company issued convertible debentures for proceeds of $75,000. The convertible debentures are convertible into units at $0.025 per unit. Each unit will consist of one common share and one share purchase warrant exercisable at $0.05 per common share for a period of two years from the conversion date. The debentures accrue interest at an annual rate of 10% and mature on February 2, 2025. The net present value of the convertible debentures was determined to be $50,399 using a discount rate of 24.56%. The fair value of the equity component was determined to be $24,601 based on the residual method and recorded in reserves with an equivalent discount on the convertible debentures. The accretion of the discount is being recognized over the term of the debt.

On June 28, 2022, the Company issued convertible debentures for proceeds of $115,000. The convertible debenture units are convertible units at $0.025 per unit. Each unit will consist of one common share and one share purchase warrant exercisable at $0.05 per common shares for a period of two years from the conversion date. The debentures accrue interest at an annual rate of 10% and mature on June 28, 2025. The net present value of the convertible debentures was determined to be $77,278 using a discount rate of 24.56%. The fair value of the equity component was determined to be $37,722 based on the residual method and recorded in reserves with an equivalent discount on the convertible debentures. The accretion of the discount is being recognized over the term of the debt.

On August 5, 2022, the Company issued four and one fifth $25,000 convertible debenture units raising gross proceeds of $105,000. The convertible debentures units each are convertible into common shares at a price of $0.025. For each conversion share issued the debenture holder will also receive one share purchase warrant exercisable at a price of $0.05 for a period of two years from the conversion date. The debentures accrue interest at an annual rate of 10% and mature on August 5, 2025. The net present value of the convertible debentures was determined to be $70,951 using a discount rate of 24.56%. The fair value of the equity component was determined to be $34,049 based on the residual method and recorded in reserves with an equivalent discount on the convertible debentures. The accretion of the discount is being recognized over the term of the debt.

8. CONVERTIBLE DEBENTURES (Continued)

On November 21, 2022, the Company issued one half of one $25,000 convertible debenture unit raising gross proceeds of $12,500. The convertible debentures units each are convertible into common shares at a price of $0.025. For each conversion share issued the debenture holder will also receive one share purchase warrant exercisable at a price of $0.05 for a period of two years from the conversion date. The debentures accrue interest at an annual rate of 10% and mature on November 21, 2025. The net present value of the convertible debentures was determined to be $8,472 using a discount rate of 24.56%. The fair value of the equity component was determined to be $4,028 based on the residual method and recorded in reserves with an equivalent discount on the convertible debentures. The accretion of the discount is being recognized over the term of the debt.

9. SHARE CAPITAL AND RESERVES

Authorized

Unlimited common shares with no par value. As of March 31, 2023, there were 29,787,501 common shares outstanding.

Issued and Outstanding – Common Shares Fiscal 2023:

During the period ended March 31, 2023, the Company issued common shares as follows:

a) In August 2022 the Company completed a private placement of 125,000 units at a price of $0.10 per unit for gross proceeds of $12,500. Each unit consists of one common share and one-half common share purchase warrant exercisable at a price of $0.20 for a period of two years from closing.

b) In August, 2022 the Company completed a private placement of 50,000 units at a price of $0.25 per unit for gross proceeds of $12,500. Each unit consists of one common share and one-half common share purchase warrant exercisable at a price of $0.50 for a period of two years from closing.

c) In November 2022 the Company completed a private placement of 62,500 units at a price of $0.10 per unit for gross proceeds of $6,250. Each unit consists of one common share and one-half common share purchase warrant exercisable at a price of $0.20 for a period of two years from closing.

d) In November 2022 the Company completed a private placement of 25,000 units at a price of $0.25 per unit for gross proceeds of $6,250. Each unit consists of one common share and one-half common share purchase warrant exercisable at a price of $0.50 for a period of two years from closing.

e) In December 2022 the Company completed a private placement of 1,125,000 units at a price of $0.20 per unit for gross proceeds of $225,000. Each unit consists of one common share and one common share purchase warrant exercisable at a price of $0.40 for a period of two years from closing.

(Expressed in Canadian Dollars)

9. SHARE CAPITAL AND RESERVES (Continued)

Issued and Outstanding – Common Shares Fiscal 2022:

During the year ended June 30, 2022, the Company issued common shares as follows:

a) On July 5, 2021, the Company completed a private placement of 20,000,000 common shares at a price of $0.005 per share for proceeds of $100,000.

b) On November 10, 2021, the Company completed a private placement of 7,000,000 common shares at a price of $0.005 per share for proceeds of $35,000.

c) On February 24, 2022, the Company completed a private placement of 500,000 units at a price of $0.10 per unit for proceeds of $50,000. Each unit consisted of one common share and one-half share purchase warrant. Each whole share purchase warrant is exercisable at $0.20 per common share expiring on February 24, 2024.

d) On February 24, 2022, the Company completed a private placement of 200,000 units at a price of $0.25 per unit for proceeds of $50,000. Each unit consisted of one common share and one-half of one share purchase warrant. Each whole share purchase warrant exercisable at $0.50 per common share expiring on February 24, 2024. The Company incurred share issuance costs of $5,000 in relation to the private placement.

e) On March 31, 2022, the Company completed a private placement of 500,000 units at a price of $0.10 per unit for proceeds of $50,000. Each unit consisted of one common share and one-half of one share purchase warrant. Each whole share purchase warrant is exercisable at per common share expiring on March 31, 2024.

f) On March 31, 2022, the Company completed a private placement of 200,000 units at a price of $0.25 per unit for proceeds of $50,000. Each unit consisted of one common share and one-half of one share purchase warrant. Each whole share purchase warrant is exercisable at $0.50 per common shares expiring on March 31, 2024.

Reserves

	Warrants	Convertible debentures	Total
	$	$	$
Balance, June 30, 2021	-	-	-
Share-based payments	249,013	-	249,013
Convertible debenture - equity portion	-	177,128	177,128
Balance, June 30, 2022	249,013	177,128	426,141
Convertible debenture - equity portion	-	38,077	38,077
Balance, March 31, 2023	249,013	215,205	464,218

(Expressed in Canadian Dollars)

9. SHARE CAPITAL AND RESERVES (Continued)

Share Purchase Warrants

A summary of warrant activity is as follows:

	Number of Warrants	Weighted Average Exercise Price
		$
Balance at June 30, 2021	-	-
Issued	50,700,000	0.02
Balance at June 30, 2022	50,700,000	0.02
Issued	1,256,250	0.39
Balance at March 31, 2023	51,956,250	0.03

The following table summarizes the warrants outstanding as of March 31, 2023:

Expiry date	Number of Warrants	Weighted Average Exercise Price $	Weighted Average Remaining Years
August 2, 2031	50,000,000	0.02	8.35
February 24, 2024	250,000	0.20	0.90
March 31, 2024	250,000	0.20	1.00
February 24, 2024	100,000	0.50	0.90
March 31, 2024	100,000	0.50	1.00
August 5, 2024	62,500	0.20	1.35
August 5, 2024	25,000	0.50	1.35
November 21, 2024	31,250	0.20	1.65
November 21, 2024	12,500	0.50	1.65
December 1, 2024	1,125,000	0.40	1.67
	51,956,250	0.03	8.08

Share-based compensation expense recognized during the period of $Nil (March 31, 2022 - $249,013) related to warrants issued during the period as compensation. To determine the fair value of the warrants, the Company used the Black-Scholes Option Pricing Model used the following weighted average assumptions:

	March 31 2023	March 31 2022
Risk-free interest rate	NA	2.75%
Expected life (years)	NA	10
Annualized volatility	NA	150%
Dividend rate	NA	0%
Weighted average fair value per warrant	NA	$0.02

(Expressed in Canadian Dollars)

10. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative	March 31 2023	March 31 2022
	$	$
Office expenses and general administration	40,474	3,191
Travel	146,020	60,263
Meals and entertainment	50,048	46,483
Rent	88,134	-
Total	324,676	109,937

11. RELATED PARTY TRANSACTIONS

Key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers and/or companies controlled by those individuals. There was no compensation paid to key management.

During the period ended March 31, 2023, the Company entered the following key expense transactions:

	March 31 2023	March 31 2022
	$	$
Royalty expense - Company with a common director	40,303	-
Share-based compensation - President of the Company	-	249,013
Consulting expense, Operations Manager for Freud Cigars LLC	120,393	105,340
Total	160,696	354,353

As at March 31, 2023 and June 30, 2022, the Company entered the following related party equity transactions:

	March 31 2023	June 30 2022
	$	$
Subscription for shares - President of the Company	-	80,000
Subscription for shares - Shareholder of the Company	-	15,000
Total	-	95,000

(Expressed in Canadian Dollars)

11. RELATED PARTY TRANSACTIONS (Continued)

As at March 31, 2023 and June 30, 2022, the following balances with related parties were outstanding:

	March 31 2023	**June 30 2022**
	$	$
Convertible debentures - Director of Company	379,913	307,705
Convertible debentures - Shareholder of the Company	226,368	178,454
Convertible debentures - Son of Director of the Company	27,890	25,726
Promissory note - Director of the Company	198,450	-
Promissory note - Shareholder of the Company	156,938	-
Accrued royalty - Director of the Company	41,312	-
Accounts payable - Director of the Company	-	94,266
Accounts payable - Shareholder of the Company	-	25,867
Total	1,030,871	632,018

12. FINANCIAL INSTRUMENTS

Fair value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

The fair values of financial instruments, which included cash, accounts payable and accrued liabilities, approximate their carrying values due to the relatively short-term maturity of these instruments.

Financial risk management

The Company may be exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives. The main objective of the Company's risk management processes is to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed are described below.

Credit risk

Credit risk is the risk of potential loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash. Cash is held with reputable Canadian financial institutions, from which management believes the risk of loss is remote. The Company's maximum credit risk exposure is equivalent to the carrying value of cash.

12. FINANCIAL INSTRUMENTS (Continued)

Interest rate risk

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. The Company is not exposed to significant interest rate risk as it does not have any liabilities with variable rates.

Liquidity risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company manages liquidity risk by reviewing its capital requirements on an ongoing basis.

The following amounts are the contractual maturities of financial liabilities as at March 31, 2023 and June 30, 2022:

	Within 1 Year	Within 2-5 years	Total
	$	$	$
March 31, 2023			
Accounts payable and accrued liabilities	315,792	-	315,792
Promissory notes payable	355,388	-	355,388
Convertible debentures	-	584,389	584,389
Total	671,180	584,389	1,255,569
June 30, 2022			
Accounts payable and accrued liabilities	249,902	-	249,902
Convertible debentures	-	410,062	410,062
Total	249,902	410,062	659,964

Foreign exchange rate risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. The Company's subsidiary operates in the U.S. and has certain monetary financial instruments denominated in U.S. dollars. As at March 31, 2023, the Company had cash, accounts receivable, and accounts payable and accrued liabilities, denominated in United States Dollars ("USD"). A 10% fluctuation in the foreign exchange rate between the USD and Canadian dollar would impact loss for the period by $5,200. The Company does not undertake currency hedging activities to mitigate its foreign currency risk.

(Expressed in Canadian Dollars)

13. CAPITAL MANAGEMENT

The Company defines capital as equity. The Company manages its capital structure and makes adjustments in order to have the funds available to support its operating activities.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern and to pursue the development of its business. The Company manages its capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new equity instruments, new debt, or acquire and/or dispose of assets. As discussed in Note 1, the Company's ability to continue as a going concern is uncertain and dependent upon the continued financial support of its shareholders, future profitable operations, and securing additional financing.

Management reviews its capital management approach on an ongoing basis. There were no changes in the Company's approach to capital management during the period presented. The Company is not subject to externally imposed capital requirements.

14. SEGMENTED INFORMATION

The Company operates in one reportable business segment, the marketing and distribution of Tobacco products. Reportable segments are defined as components of an enterprise for which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources, and in assessing performance.

The following is a summary of the Company's disaggregated revenue by geographic location:

	March 31 2023	**March 31 2022**
	$	$
United States of America	497,065	-
Other international markets	174,645	-
Total	671,710	-

15. SUBSEQUENT EVENTS

Subsequent to March 31, 2023, the Company completed the following transaction:

a) In April 2023, convertible debentures with an aggregate principal balance of $657,500 were converted into 29,397,317 units which consisted of one common share and one share purchase warrant exercisable at $0.05 per common share for two years from the conversion date.

b) On May 8, 2023, the Company issued 3,419,630 common shares to settle outstanding debt totaling $341,963. The President of the Company converted $156,375 in outstanding debt to 1,563,700 shares. A significant shareholder converted $122,588 in outstanding debt to 1,225,880 shares. The son of the President of the Company converted $26,250 in outstanding debt to $262,500 shares.

(Expressed in Canadian Dollars)

15. SUBSEQUENT EVENTS (Continued)

c) On May 31, 2023, the Company amended certain subscription agreements which resulted in the issuance of an additional 2,700,000 common shares and 2,225,000 warrants with no requirement to contribute additional capital to the Company. Warrants issued in accordance with the subscription amendments were as follows:

Expiry date	Number of Warrants	Exercise Price
March 31, 2024	200,000	$0.17
February 24, 2024	200,000	$0.17
August 5, 2024	50,000	$0.17
November 21, 2024	25,000	$0.17
December 1, 2024	1,750,000	$0.13
	2,225,000	

d) The Company issued promissory notes totaling $207,675 which are unsecured, accrue annual interest of 5% and are due on demand.

e) On May 10, 2023, the Company entered into a binding letter of intent (the "LOI") to enter a business combination with Cypher Metaverse Inc. ("Cypher") whereby Cypher will acquire 100% of the issued and outstanding shares of the Company in exchange for 50,000,000 common shares of Cypher Metaverse. Cypher also agreed to lend the Company $600,000 by way of a secured bridge loan bearing annual interest of 8% (the "Bridge Loan"). The Bridge Loan will be forgiven by Cypher upon completion of the transaction. The Bridge Loan will be repayable within six months of termination of the Definitive Agreement in accordance with its terms. On August 29, 2023 the Company entered into a Share Purchase Agreement with Cypher which shall close upon approval of the CSE

f) On July 10, 2023, the Company accepted the surrender of 5,589,315 common shares for cancellation.

g) On August 25, 2023, the Company cancelled 3,434,959 common shares that were returned to treasury. In exchange, two-year promissory notes totaling $112,710, with an annual interest rate of 10%, were issued. David Stadnyk, the Company's President and Director, returned 2,018,038 of these shares and, in relation to this, was issued a promissory note valued at $50,451. George Tsafalas, a significant shareholder, along with an entity he controls, returned 1,416,921 shares. Consequently, promissory notes amounting to $35,423 were issued in favor of Mr. Tsafalas.

SCHEDULE “D”

AGAPI MANAGEMENT’S DISCUSSION AND ANALYSIS

(see attached)

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022

This management's discussion and analysis ("**MD&A**") is presented as at July 6, 2023 and discusses the activities and financial position of **Agapi Luxury Brands Inc.** ("Agapi") for the year ended June 30, 2022 and for the period from incorporation on June 11, 2021 to June 30, 2021 (the "**2022 Annual Financial Statements**"). The MD&A should be read in conjunction with the 2022 Annual Financial Statements and the related notes contained therein which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**").

The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information in this MD&A is not intended to be a comprehensive review of all matters and developments concerning the Company.

All financial information in this MD&A has been prepared in accordance with IFRS and all dollar amounts are expressed in Canadian dollars unless otherwise stated. Additional information relating to the Company can be found on SEDAR at www.sedar.com.

Forward Looking Statements

This MD&A contains "forward-looking statements" that involve numerous risks and uncertainties. All statements other than statements of historical fact are forward-looking statements, including, without limitation, statements regarding future financial position, business strategy, use of proceeds, corporate vision, proposed acquisitions, partnerships, joint-ventures and strategic alliances and cooperation's, budgets, cost and plans and objectives of or involving the Company. Such forward- looking information reflects management's current beliefs and is based on information currently available to management. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "predicts", "intends", "targets", "aims", "anticipates" or "believes" or variations (including negative variations) of such words and phrases or may be identified by statements to the effect that certain actions "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. A number of known and unknown risks, uncertainties and other factors may cause the actual results or performance to differ materially from any future results or performance expressed or implied by the forward-looking information. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond the control of the Company including, but not limited to, the impact of general economic conditions, industry conditions and dependence upon regulatory approvals. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. The Company does not assume any obligation to update or revise its forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by securities laws.

Some specific forward-looking statements in this MD&A include, but are not limited to: assumptions about the Company's ability to continue the development of new products and its business operations; the commercial viability of the Company's products being developed and distributed; the continued availability of key leadership personnel and the ability to attract qualified personnel in the future; the ability of the Company to raise additional capital as the Company continues to develop its products; anticipated trends and challenges in the Company's business and the markets in which the Company intend to operate; the Company's ability to source tobacco for the Company's luxury tobacco products at expected prices; the Company's reliance on third parties to plan, conduct, develop, supply and sell the Company's products; the Company's competitive position and expectations regarding competition; anticipated regulatory environment, including anticipated changes to government regulation which are out of the Company's control; the Company's ability to generate product revenues to maintain the Company's operations without additional funding; sales in the US and such sales being made through the Company's US subsidiary; consequences of non-compliance with applicable laws and regulations affecting the Company's business; and plans regarding the Company's revenue, expenses, operations, expansion of infrastructure and growth.

Although the Company believes that the expectations reflected in the forward-looking information contained in this MD&A are reasonable, the Company can give no assurance that these expectations will prove to be correct, and since forward-looking information inherently involves risks and uncertainties, undue reliance should not be placed on such information. The estimates and assumptions, which may prove to be incorrect, include, but are not limited to, the various assumptions set forth in this MD&A as well as the following: that the Company will be able to raise capital to complete and fund development of new products and its operations, as well as other purposes; the Company’s products will be commercially viable; the Company will continue to have key leadership personnel and the ability to attract qualified personnel in the future; the Company will be able to handle trends and challenges in its business and the markets in which it operates; the Company will be able to source its products at expected prices; the Company will be able to rely on third parties to plan, conduct, develop, supply and sell its products; the Company will continue to be competitive in its industry; there will be no unanticipated regulatory changes; the Company will be able to generate product revenues to maintain its operations without additional funding; sales will eventually be made in the US through its US subsidiary; the Company will comply with applicable laws and regulations; and the Company will realize its plans regarding revenue, expenses, operations, expansion of infrastructure and growth. Forward-looking statements are provided for the purpose of presenting information about management’s current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes.

Forward-looking statements involve significant risks and uncertainties and should not be read as guarantees of future performance or results as actual results may differ materially from those expressed or implied in such forward-looking statements. Those risks and uncertainties include, among other things, the Company's industry and business, which may be negatively and materially adversely affected; the Company’s results of operations, financial condition and its ability to obtain additional equity or debt financing, and its ability satisfy its financial obligations; the general economic conditions; future growth potential; competition for tobacco investments; changes in legislation or regulations may negatively affect the commercial viability of the Company’s products and its business; key leadership personnel and the ability to attract qualified personnel in the future may not be available; the Company may not be able to raise capital in the future; the Company may not be able to source products or may not be able to source products at prices that allow the Company to be profitable; third parties may be unreliable; the market may become more competitive; the Company’s inability to generate revenues; and anticipated plans do not materialize.

The forward-looking information contained in this MD&A is expressly qualified in its entirety by these cautionary statements. All forward-looking statements in this MD&A are made as of the date of the MD&A. The Company does not undertake any obligation to update any such forward looking information, resulting from new information, future events or otherwise, except as required by applicable law.

For a more detailed discussion of certain of these risk factors, see “Risk Factors”.

All forward-looking information herein is qualified in its entirety by this cautionary statement, and the Company disclaims any obligation to revise or update any such forward-looking information or to publicly announce the result of any revisions to any of the forward-looking information contained herein to reflect future results, events or developments, except as required by law.

Overview

Agapi Luxury Brands Inc. ("**Agapi**" or the "**Company**") operates within the US tobacco industry as wholesaler of premium, hand-rolled cigars. The company imports cigars from two factories in the Dominican Republic, Tabacalera William Ventura and Tabacalera Diaz Cabrera. Both factories are owned and managed by well-known tobacco blenders. The factories work in partnership with the Company to curate unique and innovative cigar blends targeted at the luxury cigar consumer in the USA. Both factories handle all aspects of production from procurement of tobacco, blending, rolling, labelling and final packaging of cigars in a 10-pack box. The final product is then imported into the USA arriving at a distribution warehouse in the Reno, NV. Importation, distribution and fulfilment is handled by a 3PL licenced to handle tobacco products. Commercialization and initial sales of the Company's products began in July 2022. The Company utilizes a team of independent sales consultants to drive sales in the US. Each consultant has an extensive network of cigar retailers in their respective territory that they are responsible for maintaining relationships with. The sales team manages existing retail relationship while working to increase market penetration with new cigar retailers.

The Company's head office is located at 1780 – 355 Burrard Street, Vancouver, BC, V6C 2G8 and its registered office is located at 800 - 885 West Georgia Street, Vancouver, BC, V6C 3H1.

Outlook

Tobacco markets are typically segmented into manufacturing, wholesaling, and tobacconist retailers. Wholesalers are defined as companies that receive packaged cigars from manufacturers and the sell the goods to retailers such as specialized tobacco stores and online retailers. Freud Cigars currently operates as a wholesaler of premium/luxury cigars.

Wholesaling of cigarette and tobacco products is a massive market. Globally this market is worth $560 billion and valued at $149 billion in 2023 in the USA alone (IBISWorld, 2023). While cigars are a small subset of this market, the total cigar market in the US is still estimated to be worth more than $10 billion in 2021 (The Cigar Association of America, 2022).

Operational Highlights to the Date of this MD&A

On November 22, 2021, the Company issued convertible debentures for proceeds of $350,000. The convertible debentures are convertible into units at $0.025 per unit. Each unit will consist of one common share and one share purchase warrant exercisable at $0.05 per common share for a period of two years from the conversion date. The debentures bear interest at 10% per annum and mature on November 22, 2024.

On February 2, 2022, the Company issued convertible debentures for proceeds of $75,000. The convertible debentures are convertible into units at $0.025 per unit. Each unit will consist of one common share and one share purchase warrant exercisable at $0.05 per common share for a period of two years from the conversion date. The debentures bear interest at 10% per annum and mature on February 2, 2025.

On June 28, 2022, the Company issued convertible debentures for proceeds of $115,000. The convertible debenture units are convertible units at $0.025 per unit. Each unit will consist of one common share and one share purchase warrant exercisable at $0.05 per common shares for a period of two years from the conversion date. The debentures bear interest at 10% per annum and mature on June 28, 2025.

On July 5, 2021 the Company completed a private placement of 20,000,000 common shares at a price of $0.005 per share for proceeds of $100,000.

On November 10, 2021 the Company completed a private placement of 7,000,000 common shares at a price of $0.005 per share for proceeds of $35,000.

On February 24, 2022 the Company completed a private placement of 500,000 units at a price of $0.10 per unit for proceeds of $50,000. Each unit consisted of one common share and one-half common share purchase warrant exercisable at $0.20 per common share expiring on February 24, 2024.

On February 24, 2022 the Company completed a private placement of 200,000 units at a price of $0.25 per unit for gross proceeds of $50,000. Each unit consisted of one common share and one-half of one share purchase warrant exercisable at $0.50 per common share expiring on February 24, 2024. The Company incurred share issuance costs of $5,000 in relation to the private placement.

On March 31, 2022 the Company completed a private placement of 500,000 units at a price of $0.10 per unit for proceeds of $50,000. Each unit consisted of one common share and one-half share of one purchase warrant exercisable at $0.20 per common share expiring on March 31, 2024.

On March 31 2022 the Company completed a private placement of 200,000 units at a price of $0.25 per unit for proceeds of $50,000. Each unit consisted of one common share and one-half of one purchase warrant exercisable at $0.50 per common share expiring on March 31, 2024.

On August 5, 2022, the Company issued convertible debenture for proceeds of $105,000. The convertible debentures are convertible into units at $0.025 per unit. Each unit will consist of one common share and one share purchase warrant exercisable at $0.05 per common share for a period of two years from the conversion date. The debentures bear interest at 10% per annum and mature on August 5, 2025. Of the total $47,000 was issued to the President of the Company and $33,000 was issued to a significant shareholder of the Company and a company controlled by him.

On August 5, 2022, the Company completed a private placement of 125,000 common shares at $0.10 per share for proceeds of $12,500.

On August 5, 2022, the Company completed a private placement of 50,000 units at $0.25 per unit for proceeds of $12,500. Each unit consisted of one common share and one-half common share purchase warrant exercisable at $0.50 per common share expiring on August 5, 2024.

On November 21, 2022 the Company completed a private placement of 62,500 units at $0.10 per share for proceeds of $6,250. Each unit consisted of one common share and one-half of one common share purchase warrant. Each whole warrant is exercisable at $0.20 per common share for expiring on November 21, 2024.

On November 21, 2022 the Company completed a private placement of 25,000 units at $0.25 per unit for proceeds of $6,250. Each unit consisted of one common share and one-half of one share purchase warrant. Each whole share purchase warrant is exercisable at $0.50 per common share expiring on November 21, 2024.

On November 21, 2022, the Company issued convertible debentures for proceeds of $12,500. The convertible debentures are convertible into units at $0.025 per unit. Each unit will consist of one common share and one share purchase warrant exercisable at $0.05 per common share for a period of two years from the conversion date. The debentures bear interest at 10% per annum and mature on November 21, 2025.

On December 1, 2022 the Company completed a private placement of 1,125,000 units at a price of $0.20 per unit for proceeds of $225,000. Each unit consisted of one common share and one share purchase warrant exercisable at $0.40 per common share expiring on December 1, 2024.

The Company issued promissory notes for total proceeds of $558,675 which bear interest at 5% per annum and are due on demand. Of the total, $313,500 was received from the President of the Company and $245,175 was received from a significant shareholder of the Company and companies controlled by him

On April 30, 2023, convertible debentures with an aggregate principal balance of $657,500 plus accrued interest payable of $77,433 were converted into 29,397,317 units. Each unit consisted of one common share and one share purchase warrant exercisable at $0.05 per common share expiring on April 30, 2025. Included in these conversions were 12,107,025 units issued to convert $302,676 owed to the President of the Company, 1,123,836 units issued to convert $28,096 owed to the son of the President of the Company, and 12,323,441 units to convert $308,086 owed to a significant shareholder of the Company and a company controlled by him.

On May 8, 2023, the Company issued 3,419,630 common shares to settle outstanding debt totaling $341,963. The President of the Company converted $156,375 of outstanding debt to 1,563,700 common shares. A significant shareholder converted $122,588 of outstanding debt to 1,225,880 common shares. The son of the President of the Company converted $26,250 of outstanding debt to 262,500 common shares.

On May 31, 2023, the Company amended certain subscription agreements which resulted in the issuance of an additional 2,700,000 common shares and 2,225,000 warrants with no requirement to contribute additional capital to the Company. Warrants issued in accordance with the subscription amendments were as follows:

Expiry date	**Number of Warrants**	**Exercise Price**
March 31, 2024	200,000	$0.17
February 24, 2024	200,000	$0.17
August 5, 2024	50,000	$0.17
November 21, 2024	25,000	$0.17
December 1, 2024	1,750,000	$0.13
	2,225,000	

On May 10, 2023, the Company entered into a binding letter of intent (the "LOI") to enter a business combination with Cypher Metaverse Inc. ("Cypher") whereby Cypher will acquire 100% of the issued and outstanding shares of the Company in exchange for 50,000,000 common shares. Cypher also agreed to lend the Company up to $600,000 as a bridge loan.

Selected Annual Financial Information and Results of Operations

The following table sets out selected financial information with respect to the Company's audited financial statements for the period from incorporation on June 11, 2021, to June 30, 2021, and the year ended June 30, 2022. The following should be read in conjunction with the 2022 and 2021 Annual Financial Statements.

	June 30, 2022 $	Period from incorporation on June 11, 2021 to June 30, 2021 $
Total expenses	997,241	5,381
Net loss	(997,241)	(5,381)
Basic and diluted loss per share	(0.04)	(5,381)

During the year ended June 30, 2022, the Company primarily was focused on brand development, establishment of manufacturing partnerships, establishment of importation and supply chain infrastructure, and general start up activities.

Net loss of $1,059,195 was attributed to advertising and promotion of $190,162, general and administrative expense of $172,887, consulting fees of $245,765, professional fees of $139,414, and share-based compensation of $249,013. There was minimal activity carried out in the Company during the period ended June 30, 2021.

Balance Sheet Summary	June 30, 2022 $	June 30, 2021 $
Current assets	341,035	9,600
Current liabilities	249,902	14,980
Non-current liabilities	410,062	-

Summary of significant Balance Sheet items for the year ended June 30, 2021

The primary factors affecting the changes to the balance sheet items were as follows:

- Raised gross proceeds of $335,000 through the issuance of common shares
- Raised gross proceeds of $540,000 through the issuance of convertible debentures
- Inventory of $86,689 relates to the Company's first product launch referred to as 'SuperEgo"
- Prepaid expenses and deposits of $201,541 relates to deposits and prepayments for website design, marketing strategy and inventory production. Of the total $201,541 of prepaid expenses, $141,424 related to deposits for inventory.
- Accounts payable of $249,902 primarily related to legal, consulting fees, and various advertising vendors.

During the year ended June 30, 2022, the Company was primarily focused on development of its product line and product branding. During the year ended June 30, 2022, the Company incurred a net loss of $1,059,195. The Company successfully raised $335,000 from the issuance of 28,400,000 common shares.

Total assets as at June 30, 2021 consisted of prepaid expenses totalling $9,600. Total assets as at June 30, 2022 consisted of: cash - $52,805, inventory - $86,689, prepaid expenses and inventory deposits of - $201,541. Total liabilities as at June 30, 2021 consisted of accounts payable totalling $5,381 and due to shareholder of $9,599. Total liabilities as at June 30, 2021 consisted of accounts payable and accrued liabilities totalling $249,902 and convertible debentures of $410,062.

Subsequent to June 30, 2022, the Company completed the development of its initial product line and commenced sales to various tobacco retailers in the United States and to select curated international distributors.

Discussion of results - Year ended June 30, 2022

During the year ended June 30, 2022, the Company incurred a net loss of $1,059,195 or $0.04 per share. The Company had limited activity in the comparative year. Activity during the year primarily consisted of general start up costs, product brand development, and activities to establish manufacturing relationships in the Dominican Republic. The primary factors affecting the magnitude and variations of the Company's financial performance during year ended June 30, 2022, were as follows:

- Advertising and promotion expenses were $190,162 and related to brand development, product design, marketing strategy, graphic design and product packaging development, website design, and investor awareness.
- General and administrative expenses were $172,887 and related to office and general administration, travel, meals and entertainment, and rent.
- Consulting fees of $245,765 were related primarily to brand and marketing development, general business development, and sales personnel.
- Professional fees of $139,414 primarily related to trademark and general corporate services related to the start up and financing activities of the Company.
- The Company recognized share-based compensation expense of $249,013 in relation to the grant of compensatory share purchase warrants.
- The Company recorded in interest and accretion expense of $47,190 in relation to the convertible debentures issued.

Discussion of results - Fourth Quarter ended June 30, 2022

During the fourth quarter ended June 30, 2022, the Company incurred a net loss of $372,711 or $0.01 per share. The Company had limited activity in the comparative year. Activity during the year primarily consisted of general start up costs, product brand development, and activities to establish manufacturing relationships in the Dominican Republic. The primary factors affecting the magnitude and variations of the Company's financial performance during the fourth quarter ended June 30, 2022, were as follows:

- Advertising and promotion expenses were $155,777 and related to brand development, product design, marketing strategy, graphic design and product packaging development, website design, and investor awareness.
- General and administrative expenses were $62,950 and related to office and general administration, travel, meals and entertainment, and rent.
- Consulting fees of $43,765 were related primarily to brand and marketing development, general business development, and sales personnel.
- Professional fees of $74,735 primarily related to trademark and general corporate services related to the start up and financing activities of the Company.
- The Company an inventory write down of $14,764 in relation certain packaging items which are not planned to be used for future production of finished cigars .
- The Company recorded in interest and accretion expense of $20,720 in relation to the convertible debentures issued.

Summary of Quarterly Results

The following table sets forth the Company's financial results for the recently completed quarters since incorporation on June 11, 2021:

	June 30 2022 $	March 31 2022 $	December 31 2021 $	September 30 2021 $
Revenue	-	-	-	-
Net loss	(372,711)	(269,803)	(75,373)	(341,308)
Basic and diluted loss per share	(0.01)	(0.01)	(0.00)	(0.02)
Weighted average shares outstanding	28,400,001	27,408,121	26,022,674	18,913,044

	June 30 2021 $
Revenue	-
Total expenses	5,381
Net loss	(5,381)
Basic and diluted loss per share	(5,381)
Weighted average shares outstanding	1

Quarter ended June 30, 2022: The Company reported revenue of $Nil as it had not yet commenced commercial operations and inventory was not yet available for sale. Net loss of $372,711 was primarily attributed to advertising and promotion of $155,777, general and administrative of $62,950, consulting fees of $43,765, and professional fees of $74,735.

Quarter ended March 31, 2022: The Company reported revenue of $Nil as it had not yet commenced commercial operations and inventory was not yet available for sale.Net loss of $269,803 was primarily attributed to general and administrative expense of $16,750, and professional fees of $48,085.

Quarter ended December 31, 2021: The Company reported revenue of $Nil as it had not yet commenced commercial operations and inventory was not yet available for sale.Net loss of $75,373 was primarily attributed to general and administrative expense of $16,750 and, professional fees of $48,085.

Quarter ended September 30, 2021: The Company reported revenue of $Nil as it had not yet commenced commercial operations and inventory was not yet available for sale. Net loss of $341,308 was primarily attributed to general and administrative expense of $11,735, marketing and promotion of $9,845, consulting of $50,661, professional fees of $20,054, and share based compensation of $249,013.

Quarter ended June 30, 2021: Net loss of $5,381 was attributed to start-up costs.

Liquidity and Capital Resources

The Company's objective in managing its liquidity and capital structure are to generate sufficient cash to fund the Company's operations, acquisitions, organic growth and contractual obligations. The Company monitors its liquidity primarily by focusing on working capital in evaluating its liquidity.

As at June 30, 2022, the Company had working capital of $91,133 (2021 – working capital deficit of $5,380). The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they become due. As at June 30, 2022, the Company has sufficient working capital to settle its current liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they become due

The table below highlights the Company's cash flows during the period from incorporation on June 11, 2021, to June 30, 2021 and for the year ended June 30, 2022:

	June 30, 2022 $	June 30, 2021 $
Operating activities	(812,473)	(1)
Investing activities	-	-
Financing activities	870,000	1
Effect of foreign exchange	(4,722)	-
Cash, beginning	-	-
Cash, end	52,805	-

Capital Management

The Company defines capital as equity. The Company manages its capital structure and makes adjustments in order to have the funds available to support its operating activities.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern and to pursue the development of its business. The Company manages its capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new equity instruments, new debt, or acquire and/or dispose of assets. As discussed in Note 1 to the consolidated financial statements, the Company's ability to continue as a going concern is uncertain and dependent upon the continued financial support of its shareholders, future profitable operations, and securing additional financing. Management reviews its capital management approach on an ongoing basis. There were no changes in the Company's approach to capital management during the year presented. The Company is not subject to externally imposed capital requirement.

Management reviews its capital management approach on an ongoing basis. There were no changes in the Company's approach to capital management during the periods presented. The Company is not subject to externally imposed capital requirements.

Transactions between Related Parties

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers and/or companies controlled by those individuals.

During the year ended June 30, 2022, the Company entered the following key expense transactions:

	June 30, 2022	June 30, 2021	Name of Individual
	$	$	
Share-based compensation - President of the Company	249,013	-	David Stadnyk
Expense reimbursements, office expenses - President the Company	5,926	-	David Stadnyk
Expense reimbursements, meals and entertainment - President of the Company	51,373	-	David Stadnyk
Expense reimbursements, travel expenses - President of the Company	52,002	-	David Stadnyk
Consulting fees, Operations Manager for Freud Cigars LLC	140,454	-	Luis Tores
Total	498,768	-	

During the year ended June 30, 2022, the Company entered the following related party equity transactions:

	June 30, 2022	June 30, 2021	Name of Individual
	$	$	
Subscription for 16,000,000 shares - President of the Company	80,000	-	David Stadnyk
Subscription for 3,000,000 shares - Significant shareholder of the Company	15,000	-	George Tsafalas
Total	95,000	-	

As at June 30, 2022, the following balances with related parties were outstanding:

	June 30, 2022	June 30, 2021	Name of Individual
	$	$	
Convertible debentures - President of Company	307,705	-	David Stadnyk
Convertible debentures - Significant shareholder of the Company	178,454	-	George Tsafalas
Convertible debentures - Son of President of the Company	25,726	-	Zach Stadnyk
Accounts payable - President of the Company	94,266	-	David Stadnyk
Accounts payable - Signficant shareholder of the Company	25,867	-	George Tsafalas
Total	632,018	-	

Off Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

None.

Changes in Accounting Policies

The Company has not yet adopted certain standards, interpretations to existing standards and amendments that have been issued but have an effective date later than July 1, 2021. Many of these updates are not currently relevant to the Company and are therefore not discussed herein.

Financial Instruments and Financial Risk Management

Fair value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

The fair values of financial instruments, which included cash, accounts payable and accrued liabilities, approximate their carrying values due to the relatively short-term maturity of these instruments.

Financial risk management

The Company may be exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives. The main objective of the Company's risk management processes is to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed are described below.

Credit risk

Credit risk is the risk of potential loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash. Cash is held with reputable Canadian financial institutions, from which management believes the risk of loss is remote. The Company's maximum credit risk exposure is equivalent to the carrying value of cash.

Interest rate risk

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. The Company is not exposed to significant interest rate risk as it does not have any liabilities with variable rates.

Liquidity risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company manages liquidity risk by reviewing its capital requirements on an ongoing basis.

The following amounts are the contractual maturities of financial liabilities as at June 30, 2022 and 2021:

2022	Total $	Within 1 year $	Within 2-5 years $
Accounts payable and accrued liabilities	249,902	249,902	–
Convertible debentures	410,062	–	410,062
	659,964	249,902	410,062

2021	Total $	Within 1 year $	Within 2-5 years $
Accounts payable and accrued liabilities	5,381	5,381	–
Due to related party	9,599	9,599	–
	14,980	14,980	–

Foreign exchange rate risk

Foreign exchange rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities are denominated in a foreign currency.

The Company's subsidiary operates in the U.S. and has certain monetary financial instruments denominated in U.S. dollars. The Company has not entered into foreign exchange rate contracts to mitigate this risk.

The following table indicates the impact of foreign currency exchange risk on net working capital as at June 30, 2022. The table below also provides a sensitivity analysis of a 10% strengthening of the foreign currency against functional currencies identified which would have increased (decreased) the Company's net loss by the amounts shown in the table below. A 10% weakening of the foreign currency against the functional currencies would have had the equal but opposite effect as at June 30, 2022.

	US$
Cash	16,529
Accounts payable and accrued liabilities	(88,769)
Total foreign currency financial assets and liabilities	(72,240)
Impact of a 10% strengthening or weakening of foreign exchange rate	(7,224)

COMMITMENTS AND CONTINGENCIES

None.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

An analysis of material components of the Company's general and administrative expenses is disclosed in the consolidated financial statements for the year ended June 30, 2022 to which this MD&A relates.

OUTSTANDING SHARE DATA

Details of the Company's capitalization are as follows:

	June 30, 2022	Date of MD&A
Common shares	28,400,001	65,304,448
Warrants	50,700,000	83,484,817

MANAGEMENT'S RESPONSIBILITY

Management is responsible for the preparation and fair representation of the financial statements in accordance with IFRS and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.
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SELECTED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS

This management's discussion and analysis ("**MD&A**") is presented as at September 15, 2023, and discusses the activities and financial position of **Agapi Luxury Brands Inc.** ("Agapi") for the period March 31, 2023 (the "**2023 Q3 Interim Financial Statements**"). The MD&A should be read in conjunction with the 2023 Interim Financial Statements and the related notes contained therein which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**").

The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information in this MD&A is not intended to be a comprehensive review of all matters and developments concerning the Company.

All financial information in this MD&A has been prepared in accordance with IFRS and all dollar amounts are expressed in Canadian dollars unless otherwise stated. Additional information relating to the Company can be found on SEDAR at www.sedar.com.

Forward Looking Statements

This MD&A contains "forward-looking statements" that involve numerous risks and uncertainties. All statements other than statements of historical fact are forward-looking statements, including, without limitation, statements regarding future financial position, business strategy, use of proceeds, corporate vision, proposed acquisitions, partnerships, joint-ventures and strategic alliances and cooperation's, budgets, cost and plans and objectives of or involving the Company. Such forward- looking information reflects management's current beliefs and is based on information currently available to management. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "predicts", "intends", "targets", "aims", "anticipates" or "believes" or variations (including negative variations) of such words and phrases or may be identified by statements to the effect that certain actions "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. A number of known and unknown risks, uncertainties and other factors may cause the actual results or performance to differ materially from any future results or performance expressed or implied by the forward-looking information. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond the control of the Company including, but not limited to, the impact of general economic conditions, industry conditions and dependence upon regulatory approvals. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. The Company does not assume any obligation to update or revise its forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by securities laws.

Some specific forward-looking statements in this MD&A include, but are not limited to: assumptions about the Company's ability to continue the development of new products and its business operations; the commercial viability of the Company's products being developed and distributed; the continued availability of key leadership personnel and the ability to attract qualified personnel in the future; the ability of the Company to raise additional capital as the Company continues to develop its products; anticipated trends and challenges in the Company's business and the markets in which the Company intend to operate; the Company's ability to source tobacco for the Company's luxury tobacco products at expected prices; the Company's reliance on third parties to plan, conduct, develop, supply and sell the Company's products; the Company's competitive position and expectations regarding competition; anticipated regulatory environment, including anticipated changes to government regulation which are out of the Company's control; the Company's ability to generate product revenues to maintain the Company's operations without additional funding; sales in the US and such sales being made through the Company's US subsidiary; consequences of non-compliance with applicable laws and regulations affecting the Company's business; and plans regarding the Company's revenue, expenses, operations, expansion of infrastructure and growth.

Although the Company believes that the expectations reflected in the forward-looking information contained in this MD&A are reasonable, the Company can give no assurance that these expectations will prove to be correct, and since forward-looking information inherently involves risks and uncertainties, undue reliance should not be placed on such information. The estimates and assumptions, which may prove to be incorrect, include, but are not limited to, the various assumptions set forth in this MD&A as well as the following: that the Company will be able to raise capital to complete and fund development of new products and its operations, as well as other purposes; the Company's products will be commercially viable; the Company will continue to have key leadership personnel and the ability to attract qualified personnel in the future; the Company will be able to handle trends and challenges in its business and the markets in which it operates; the Company will be able to source its products at expected prices; the Company will be able to rely on third parties to plan, conduct, develop, supply and sell its products; the Company will continue to be competitive in its industry; there will be no unanticipated regulatory changes; the Company will be able to generate product revenues to maintain its operations without additional funding; sales will eventually be made in the US through its US subsidiary; the Company will comply with applicable laws and regulations; and the Company will realize its plans regarding revenue, expenses, operations, expansion of infrastructure and growth. Forward-looking statements are provided for the purpose of presenting information about management's current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes.

Forward-looking statements involve significant risks and uncertainties and should not be read as guarantees of future performance or results as actual results may differ materially from those expressed or implied in such forward-looking statements. Those risks and uncertainties include, among other things, the Company's industry and business, which may be negatively and materially adversely affected; the Company's results of operations, financial condition and its ability to obtain additional equity or debt financing, and its ability satisfy its financial obligations; the general economic conditions; future growth potential; competition for tobacco investments; changes in legislation or regulations may negatively affect the commercial viability of the Company's products and its business; key leadership personnel and the ability to attract qualified personnel in the future may not be available; the Company may not be able to raise capital in the future; the Company may not be able to source products or may not be able to source products at prices that allow the Company to be profitable; third parties may be unreliable; the market may become more competitive; the Company's inability to generate revenues; and anticipated plans do not materialize.

The forward-looking information contained in this MD&A is expressly qualified in its entirety by these cautionary statements. All forward-looking statements in this MD&A are made as of the date of the MD&A. The Company does not undertake any obligation to update any such forward-looking information, resulting from new information, future events or otherwise, except as required by applicable law.

For a more detailed discussion of certain of these risk factors, see "Risk Factors".

All forward-looking information herein is qualified in its entirety by this cautionary statement, and the Company disclaims any obligation to revise or update any such forward-looking information or to publicly announce the result of any revisions to any of the forward-looking information contained herein to reflect future results, events or developments, except as required by law.

Overview

Agapi Luxury Brands Inc. ("**Agapi**" or the "**Company**") operates within the US tobacco industry as wholesaler of premium, hand-rolled cigars. The company imports cigars from two factories in the Dominican Republic, Tabacalera William Ventura and Tabacalera Diaz Cabrera. Both factories are owned and managed by well-known tobacco blenders. The factories work in partnership with the Company to curate unique and innovative cigar blends targeted at the luxury cigar consumer in the USA. Both factories handle all aspects of production from procurement of tobacco, blending, rolling, labelling and final packaging of cigars in a 10-pack box. The final product is then imported into the USA arriving at a distribution warehouse in the Reno, NV. Importation, distribution and fulfilment is handled by a 3PL licenced to handle tobacco products. Commercialization and initial sales of the Company's products began in July 2022. The Company utilizes a team of independent sales consultants to drive sales in the US. Each consultant has an extensive network of cigar retailers in their respective territory that they are responsible for maintaining relationships with. The sales team manages existing retail relationship while working to increase market penetration with new cigar retailers.

The Company's head office is located at 1780 – 355 Burrard Street, Vancouver, BC, V6C 2G8 and its registered office is located at 800-885 Georgia Street, Vancouver, BC V6C 3H1.

Outlook

Tobacco markets are typically segmented into manufacturing, wholesaling, and tobacconist retailers. Wholesalers are defined as companies that receive packaged cigars from manufacturers and the sell the goods to retailers such as specialized tobacco stores and online retailers. Freud Cigars currently operates as a wholesaler of premium/luxury cigars.

Wholesaling of cigarette and tobacco products is a massive market. Globally this market is worth $560 billion and valued at $149 billion in 2023 in the USA alone (IBISWorld, 2023). While cigars are a small subset of this market, the total cigar market in the US is still estimated to be worth more than $10 billion in 2021 (The Cigar Association of America, 2022).

Operational Highlights to the Date of this MD&A

In April 2023, convertible debentures with an aggregate principal balance of $657,500 were converted into 29,397,317 units which consisted of one common share and one share purchase warrant exercisable at $0.05 per common share for two years from the conversion date.

In May 2023, the Company issued 3,419,630 common shares to settle outstanding debt totaling $341,963.

In May 2023, the Company amended certain subscription agreements which resulted in the issuance of an additional 2,700,000 common shares and 2,225,000 warrants. Warrants issued in accordance with the subscription amendments were as follows:

Expiry date	Number of Warrants	Exercise Price
March 31, 2024	200,000	$0.17
February 24, 2024	200,000	$0.17
August 5, 2024	50,000	$0.17
November 21, 2024	25,000	$0.17
December 1, 2024	1,750,000	$0.13
	2,225,000	

The Company issued promissory notes totaling $207,675 which are unsecured, accrue annual interest of 5% and are due on demand.

On May 10, 2023, the Company entered into a binding letter of intent (the “LOI”) to enter a business combination with Cypher Metaverse Inc. (“Cypher”) whereby Cypher will acquire 100% of the issued and outstanding shares of the Company in exchange for 50,000,000 common shares of Cypher Metaverse. Cypher also agreed to lend the Company $600,000 by way of a secured bridge loan bearing annual interest of 8% (the “Bridge Loan”). The Bridge Loan will be forgiven by Cypher upon completion of the transaction. The Bridge Loan will be repayable within six months of termination of the Definitive Agreement in accordance with its terms. On August 29, 2023, the Company entered into a Share Purchase Agreement with Cypher which shall close upon approval of the CSE

On July 10, 2023, the Company accepted the surrender of 5,589,315 common shares for cancellation.

On August 25, 2023, the Company the Company cancelled 3,434,959 common shares that were returned to treasury. In exchange, two-year promissory notes totaling $112,710, with an annual interest rate of 10%, were issued. David Stadnyk, the Company's President and Director, returned 2,018,038 of these shares and, in relation to this, was issued a promissory note valued at $50,451. George Tsafalas, a significant shareholder, along with an entity he controls, returned 1,416,921 shares. Consequently, promissory notes amounting to $35,423 were issued in favor of Mr. Tsafalas.

Selected Annual Financial Information and Results of Operations

The following table sets out selected financial information with respect to the Company’s interim financial statements for the period ended March 31, 2023. The following should be read in conjunction with the Q3 2023 Interim Financial Statements.

	Three months ended		Nine months ended	
	March 31, 2023 $	March 31, 2022 $	March 31, 2023 $	March 31, 2022 $
Total revenues	135,572	-	671,710	-
Gross margin	68,758	-	364,578	-
Gross margin %	51%	n/a	54%	n/a
Total expenses	336,463	269,803	1,200,681	686,484
Net loss	(267,705)	(269,803)	(836,103)	(686,484)
Net loss and comprehensive loss	(264,310)	(256,538)	(848,370)	(673,219)
Basic and diluted loss per share	(0.01)	(0.01)	(0.03)	(0.03)

Balance Sheet Summary	March 31, 2023 $	June 30, 2022 $	June 30, 2021 $
Current assets	410,881	341,035	9,600
Total assets	410,881	341,035	9,600
Current liabilities	671,180	249,902	14,980
Total liabilities	1,255,569	659,964	14,980
Working capital (deficit)	(260,299)	91,133	(5,380)

During the nine-month period ended March 31, 2023, the Company commenced its first year of commercial operations. The Company incurred increased costs due to product launch activities and the increased scale of operations as compared to the prior year.

Net loss for the three-month period ended March 31, 2023, of $267,705 was primarily attributed to advertising and promotion of $87,501, general and administrative expense of $106,395, management and consulting of $79,679, professional fees of $22,450, and interest and accretion of $27,915. Activity carried out by the Company during the three months ended March 31, 2022, was primarily related to general start-up costs, product and brand development, as well as establishment of manufacturing relationships in the Dominican Republic.

Net loss for the nine-month period ended March 31, 2023, of $836,103 was primarily attributed to advertising and promotion of $250,717, general and administrative expense of $324,676, management and consulting of $377,361, professional fees of $108,332, royalty expense of $40,303, and interest and accretion of $94,904. Activity carried out by the Company during the nine months ended March 31, 2022, was primarily related to general startup costs, product and brand development, as well as establishment of manufacturing relationships in the Dominican Republic.

Summary of significant Balance Sheet items for period ended March 31, 2023

The primary factors affecting the changes to the balance sheet items were as follows:

- Spent $785,342 in operating activities
- Raised gross proceeds of $262,500 through the issuance of common shares
- Raised gross proceeds of $117,500 through the issuance of convertible debentures
- Raised gross proceeds of $351,000 through promissory notes
- Inventory of $114,059 relates to the Company's first three product launches referred to as SuperEgo, Agape, and AlterEgo
- Prepaid expenses and deposits of $252,033 relates to deposits and prepayments for website design, marketing strategy and inventory production. Of the total $252,033 prepaid expenses and deposits a total of $171,783 related to deposits for inventory (According to Note 5 of the condensed consolidated interim financial statements).
- Accounts payable of $376,765 primarily related to legal, consulting fees, and various advertising vendors.

Total assets as at March 31, 2023 consisted of: cash of $2,665, accounts receivable of $42,124, inventory of $114,059, prepaid expenses and inventory deposits of $252,033. Total liabilities as at March 31, 2023 consisted of accounts payable and accrued liabilities of $315,792, promissory notes of $355,388, and convertible debentures of $584,389.

Discussion of results – Three Months Ended March 31, 2023

During the three months ended March 31, 2023, the Company incurred a net loss of $267,705 or $0.01 per share. The Company had limited activity in the comparative period. Activity during the prior period primarily consisted of general start up costs, product brand development, and activities to establish manufacturing relationships in the Dominican Republic. The primary factors affecting the magnitude and variations of the Company's financial performance during the three months ended March 31, 2023, were as follows:

Item	March 31, 2023	March 31, 2022	Increase / (Decrease) $	Increase / Decrease %	Explanation
Revenue	135,572	-	135,572	N/A	Revenues during the current period ended consisted of wholesale cigar sales. The Company commenced commercial activity in July 2022 therefore there were no revenues for the comparative period
Cost of goods Sold	66,814	-	66,814	N/A	Cost of goods sold related to cigar manufacturing costs, packaging, shipping, logistics, and fulfillment fees. During the prior comparative period there was no revenue therefore there was no cost of goods sold reported.
Gross Margin	68,758	-	68,758	N/A	NA
Advertising and promotion	87,501	23,754	63,747	268%	Advertising and promotion relates to various items to increase consumer awareness of the Company's product line. The increase during the current period is attributed to the increased commercial activity in the Company corresponding with the commencement of wholesale luxury cigars in the USA and internationally.
General and administrative	106,395	81,452	24,943	31%	General and administrative consist of office expenses, travel, meals & entertainment, and rent. Increase is consistent with higher business activity during the current period.
Consulting fees	79,679	149,393	(69,714)	-47%	The Company has no full-time employees and functions utilizing a group of independent contractors. During the prior period certain consulting fees were incurred in relation to establishment of various business relationships which were integral to the formation of the Company's supply chain and distribution network which were one time items.
Professional fees	22,450	(3,460)	25,910	-749%	Professional fees relate to legal, accounting, tax, and intellectual property activities. During the prior comparative period the Company recorded a recovery in relation to professional fee activities as an accrual was reversed.
Royalties	8,135	-	8,135	N/A	The Company is required to pay a royalty of 6% of revenues. During the prior comparative period there were no revenues therefore there was no royalty expense.
Interest - promissory notes	4,388	-	4,388	N/A	Interest related to promissory notes outstanding. During the comparative period there were no promissory notes therefore these was no interest expense related to promissory notes to report.
Interest and accretion	27,915	18,664	9,251	50%	Interest and accretion expense relate to interest and accretion on the Company's various outstanding convertible debentures. During the current period the Company issued additional debentures therefore incurred additional interest and accretion expenses.
Total expenses	336,463	269,803	66,660	25%	Consistent with increased business activity.

Discussion of results – Nine Months Ended March 31, 2023

During the nine months ended March 31, 2023, the Company incurred a net loss of $836,103 or $0.03 per share. The Company had limited activity in the comparative year. Activity during the prior year primarily consisted of general start up costs, product brand development, and activities to establish manufacturing relationships in the Dominican Republic. The primary factors affecting the magnitude and variations of the Company's financial performance during the nine months ended March 31, 2023, were as follows:

Item	March 31, 2023	March 31, 2022	Increase / (Decrease) $	Increase / Decrease %	Explanation
Revenue	671,710	-	671,710	N/A	Revenues during the current period ended consisted of wholesale cigar sales. The Company commenced commercial activity in July 2022 therefore there were no revenues for the comparative period.
Cost of goods Sold	307,132	-	307,132	N/A	Cost of goods sold related to cigar manufacturing costs, packaging, shipping, logistics, and fullfillment fees. During the prior comparative period there was no revenue therefore there was no cost of goods sold reported.
Gross Margin	364,578	-	364,578	N/A	NA
Advertising and promotion	250,717	34,385	216,332	629%	Advertising and promotion relates to various items to increase consumer awareness of the Company's product line. The increase during the current period is attributed to the increased commercial activity in the Company corresponding with the commencement of wholesale luxury cigars in the USA and internationally.
General and administrative	324,676	109,937	214,739	195%	General and administrative consist of office expenses, travel, meals & entertainment, and rent. Increase is consistent with higher business activity during the current period.
Consulting fees	377,361	202,000	175,361	87%	The Company has no full time employees and functions utilizing a group of independent contractors. During the current period the Company engaged additional consultants to launch sales and distribution of the Company's imported luxury cigar line.
Professional fees	108,332	64,679	43,653	67%	Professional fees relate to legal, accounting, tax, and intellectual property activities. Increase in the current period related to additional audit and legal fees required to pursue a public listing as well as ongoing financing of the Company.
Royalties	40,303	-	40,303	N/A	The Company is required to pay a royalty of 6% of revenues. During the prior comparative period there were no revenues therefore there was no royalty expense.
Share based compensation	-	249,013	(249,013)	N/A	No equity instruments issued as compensation during the period. Prior period share based compensation related to the issuace of warrants as compensation.
Interest - promissory notes	4,388	-	4,388	N/A	Interest related to promissory notes outstanding. During the comparative period there were no promissory notes therefore these was no interest expense related to promissory notes to report.
Interest and accretion	94,904	26,470	68,434	259%	Interest and accretion expense relate to interest and accretion on the Company's various outstanding convertible debentures. During the current period the Company issued additional debentures therefore incurred additional interest and accretion expenses.
Total expenses	1,200,681	686,484	514,197	75%	Consistent with increased business activity.

Summary of Quarterly Results

The following table sets forth selected quarterly consolidated financial information for each of the last eight quarters with the figures for each quarter in Canadian dollars:

	March 31, 2023 $	December 31 2022 $	September 30 2022 $	June 2022 $
Revenue	135,572	413,696	122,442	-
Total expenses	336,463	556,947	307,271	372,711
Net loss	(267,705)	(300,810)	(267,588)	(372,711)
Basic and diluted loss per share	(0.01)	(0.01)	(0.01)	(0.01)
Weighted average shares outstanding	29,787,501	28,777,447	28,575,001	28,400,001

	March 31, 2022 $	December 31 2021 $	September 30 2021 $	June 2021 $
Revenue	-	-	-	-
Total expenses	269,803	75,373	341,308	5,381
Net loss	(269,803)	(75,373)	(341,308)	(5,381)
Basic and diluted loss per share	(0.01)	(0.02)	(0.02)	(5,381)
Weighted average shares outstanding	27,408,121	26,022,674	18,913,044	1

Quarter ended March 31, 2023: The Company reported revenue of $135,572. Net loss of $267,705 was primarily attributed to advertising and promotion of $87,501, general and administrative expense of $106,393, consulting of $79,679, professional fees of $22,450, royalty expense of $8,135, interest and accretion of $27,915.

Quarter ended December 31, 2022: The Company reported revenue of $413,696. Net loss of $300,810 was primarily attributed to advertising and promotion of $55,351, general and administrative expense of $136,730, consulting of $217,973, professional fees of $66,254, royalty expense of $32,168, interest and accretion of $48,470.

Quarter ended September 30, 2022: The Company reported revenue of $122,442. Net loss of $267,588 was primarily attributed to advertising and promotion of $107,865, general and administrative expense of $81,551, consulting of $79,709, professional fees of $19,628, interest and accretion of $18,519.

Quarter ended June 30, 2022: The Company reported revenue of $Nil as it had not yet commenced commercial operations and inventory was not yet available for sale. Net loss of $372,711 was primarily attributed to advertising and promotion of $155,777, general and administrative of $62,950, consulting fees of $43,765, and professional fees of $74,735.

Quarter ended March 31, 2022: The Company reported revenue of $Nil as it had not yet commenced commercial operations and inventory was not yet available for sale.Net loss of $269,803 was primarily attributed to advertising and promotion of $23,754, general and administrative expense of $81,452, and consulting fees of $149,393.

Quarter ended December 31, 2021: The Company reported revenue of $Nil as it had not yet commenced commercial operations and inventory was not yet available for sale.Net loss of $75,373 was primarily attributed to general and administrative expense of $16,750 and professional fees of $48,085.

Quarter ended September 30, 2021: The Company reported revenue of $Nil as it had not yet commenced commercial operations and inventory was not yet available for sale. Net loss of $341,308 was primarily attributed to general and administrative expenses of $11,735, marketing and promotion of $9,845, consulting of $50,661, professional fees of $20,054, and share based compensation of $249,013.

Quarter ended June 30, 2021: Net loss of $5,381 was attributed to start-up costs.

Liquidity and Capital Resources

The Company's objective in managing its liquidity and capital structure are to generate sufficient cash to fund the Company's operations, acquisitions, organic growth and contractual obligations. The Company monitors its liquidity primarily by focusing on working capital in evaluating its liquidity.

As at March 31, 2023, the Company had a working capital deficit of $260,299 (June 30, 2022 – working capital of $91,133). The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they become due. As at March 31, 2023, the Company did not have sufficient working capital to settle its current liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they become due. Subsequent to March 31, 2023, the Company entered a binding letter of intent with Cypher Metaverse Inc. ("Cypher") whereby Cypher shall acquire 100% of the issued and outstanding common shares of the Company through the issuance of 50,000,000 common shares of Cypher. Cypher also agreed to lend the Company $600,000 by way of a secured bridge loan bearing annual interest of 8%.

The Company's cash flows during the periods ended March 31, 2023, and 2022 were as follows:

	March 31, 2023 $	March 31, 2022 $
Operating activities	(785,342)	(558,722)
Investing activities	-	-
Financing activities	728,500	755,000
Effect of foreign exchange	6,702	(7,830)
Cash, beginning	52,805	-
Cash, end	2,665	188,448

Capital Management

The Company defines capital as equity. The Company manages its capital structure and makes adjustments in order to have the funds available to support its operating activities.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern and to pursue the development of its business. The Company manages its capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new equity instruments, new debt, or acquire and/or dispose of assets. As discussed in Note 1 to the consolidated financial statements, the Company's ability to continue as a going concern is uncertain and dependent upon the continued financial support of its shareholders, future profitable operations, and securing additional financing. Management reviews its capital management approach on an ongoing basis. There were no changes in the Company's approach to capital management during the year presented. The Company is not subject to externally imposed capital requirement.

Management reviews its capital management approach on an ongoing basis. There were no changes in the Company's approach to capital management during the periods presented. The Company is not subject to externally imposed capital requirement.

Transactions between Related Parties

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers and/or companies controlled by those individuals.

During the period ended March 31, 2023, the Company entered the following key expense transactions:

	March 31 2023	March 31 2022	Name of Individual
	$	$	
Royalty expense - Company with a common director	40,303	-	David Stadnyk
Share-based compensation - President of the Company	-	249,013	David Stadnyk
Consulting expense, Operations Manager for Freud Cigars LLC	120,393	105,340	Luis Tores
Total	160,696	354,353	

As at March 31, 2023 and June 30, 2022, the Company entered the following related party equity transactions:

	March 31 2023	June 30 2022	Name of Individual
	$	$	
Subscription for shares - President of the Company	-	80,000	David Stadnyk
Subscription for shares - Shareholder of the Company	-	15,000	George Tsafalas
Total	-	95,000	

As at March 31, 2023 and June 30, 2022, the following balances with related parties were outstanding:

	March 31 2023	June 30 2022	Name of Individual
	$	$	
Convertible debentures - Director of Company	379,913	307,705	David Stadnyk
Convertible debentures - Shareholder of the Company	226,368	178,454	George Tsafalas
Convertible debentures - Son of Director of the Company	27,890	25,726	Zach Stadnyk
Promissory note - Director of the Company	198,450	-	David Stadnyk
Promissory note - Shareholder of the Company	156,938	-	George Tsafalas
Accrued royalty - Director of the Company	41,312	-	David Stadnyk
Accounts payable - Director of the Company	-	94,266	David Stadnyk
Accounts payable - Shareholder of the Company	-	25,867	George Tsafalas
Total	1,030,871	632,018	

Off Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

None.

Critical Accounting Estimates, Assumptions, and Judgments

The preparation of consolidated financial statements in conformity with IFRS requires the use of judgments and/or estimates that affect the amounts reported and disclosed in these consolidated financial statements and related notes. These judgments and estimates are based on management's best knowledge of the relevant facts and circumstances, having given regard to previous experience, but actual results may differ materially from the amounts included in the consolidated financial statements.

Carrying value of inventory

The Company records valuation adjustments for inventory by comparing the inventory cost to its net realizable value. The process requires the use of estimates and assumptions related to future market demand, costs, and prices. Such assumptions are reviewed and may have a significant impact on the valuation adjustments for inventory.

Accounting for debt financing transactions

Upon entering into a debt financing transaction, the Company applies judgment in assessing the appropriate accounting treating by considering the specific terms of the debt financing transaction to identify any potential embedded derivatives, and to determine the appropriate valuation methodology. The Company determined that the convertible debentures issued are compound financial instruments that contains both a liability and an equity component. The fair value of the liability component is determined by calculating the net present value of the contractual stream of future cash flows discounted using the Company's estimated cost of borrowing. The equity component is then assigned as the residual amount.

Share-based compensation

Fair values are determined using the Black-Scholes option pricing model. Estimating fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. Option-pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. Changes in the underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not necessarily provide reliable measurement of the fair value of the Company's stock options.

Going concern

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

Changes in Accounting Policies

The Company has not yet adopted certain standards, interpretations to existing standards and amendments that have been issued but have an effective date later than July 1, 2022. Many of these updates are not currently relevant to the Company and are therefore not discussed herein.

Financial Instruments and Financial Risk Management

Fair value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

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

The fair values of financial instruments, which included cash, accounts payable and accrued liabilities, approximate their carrying values due to the relatively short-term maturity of these instruments.
Financial risk management

The Company may be exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives. The main objective of the Company's risk management processes is to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed are described below.

Credit risk

Credit risk is the risk of potential loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash. Cash is held with reputable Canadian financial institutions, from which management believes the risk of loss is remote. The Company's maximum credit risk exposure is equivalent to the carrying value of cash.

Interest rate risk

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. The Company is not exposed to significant interest rate risk as it does not have any liabilities with variable rates.

Liquidity risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company manages liquidity risk by reviewing its capital requirements on an ongoing basis.

The following amounts are the contractual maturities of financial liabilities as at March 31, 2023 and June 30, 2022:

	Within 1 Year	Within 2-5 years	Total
	$	$	$
March 31, 2023			
Accounts payable and accrued liabilities	315,792	-	315,792
Promissory notes payable	355,388	-	355,388
Convertible debentures	-	584,389	584,389
Total	671,180	584,389	1,255,569
June 30, 2022			
Accounts payable and accrued liabilities	249,902	-	249,902
Convertible debentures	-	410,062	410,062
Total	249,902	410,062	659,964

Foreign exchange rate risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. The Company's subsidiary operates in the U.S. and has certain monetary financial instruments denominated in U.S. dollars. As at March 31, 2023, the Company had cash, accounts receivable, and accounts payable and accrued liabilities, denominated in United States Dollars ("USD"). A 10% fluctuation in the foreign exchange rate between the USD and Canadian dollar would impact loss for the period by $5,200. The Company does not undertake currency hedging activities to mitigate its foreign currency risk.

COMMITMENTS AND CONTINGENCIES

None.

OUTSTANDING SHARE DATA

Details of the Company's capitalization are as follows:

	March 31, 2023	Date of MD&A
Common shares	29,787,501	56,280,174
Warrants	51,956,250	80,143,608

SUBSEQUENT EVENTS

Subsequent to March 30, 2023, the Company completed the following transactions:

a) In April 2023, convertible debentures with an aggregate principal balance of $657,500 were converted into 29,397,317 units which consisted of one common share and one share purchase warrant exercisable at $0.05 per common share for two years from the conversion date.

b) On May 8, 2023, the Company issued 3,419,630 common shares to settle outstanding debt totaling $341,963. The President of the Company converted $156,375 in outstanding debt to 1,563,700 shares. A significant shareholder converted $122,588 in outstanding debt to 1,225,880 shares. The son of the President of the Company converted $26,250 in outstanding debt to $262,500 shares.

c) On May 31, 2023, the Company amended certain subscription agreements which resulted in the issuance of an additional 2,700,000 common shares and 2,225,000 warrants with no requirement to contribute additional capital to the Company. Warrants issued in accordance with the subscription amendments were as follows:

Expiry date	Number of Warrants	Exercise Price
March 31, 2024	200,000	$0.17
February 24, 2024	200,000	$0.17
August 5, 2024	50,000	$0.17
November 21, 2024	25,000	$0.17
December 1, 2024	1,750,000	$0.13
	2,225,000	

d) The Company was issued promissory notes totaling $207,675 which accrue annual interest of 5% and are due on demand. .

e) On May 10, 2023, the Company entered into a binding letter of intent (the "LOI") to enter a business combination with Cypher Metaverse Inc. ("Cypher") whereby Cypher will acquire 100% of the issued and outstanding shares of the Company in exchange for 50,000,000 common shares. Cypher also agreed to lend the Company $600,000 by way of a secured bridge loan bearing annual interest of 8% (the "Bridge Loan"). The Bridge Loan will be forgiven by Cypher upon completion of the transaction. The Bridge Loan will be repayable within six months of termination of the Definitive Agreement in accordance with its terms. On August 29, 2023, the Company entered into a Share Purchase Agreement with Cypher which shall close upon approval of the CSE

f) On July 10, 2023, the Company accepted the surrender of 5,589,315 common shares for cancellation.

g) On August 25, 2023, the Company cancelled 3,434,959 common shares that were returned to treasury. In exchange, two-year promissory notes totaling $112,710, with an annual interest rate of 10%, were issued. David Stadnyk, the Company's President and Director, returned 2,018,038 of these shares and, in relation to this, was issued a promissory note valued at $50,451. George Tsafalas, a significant shareholder, along with an entity he controls, returned 1,416,921 shares. Consequently, promissory notes amounting to $35,423 were issued in favor of Mr. Tsafalas.

MANAGEMENT'S RESPONSIBILITY

Management is responsible for the preparation and fair representation of the financial statements in accordance with IFRS and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

SCHEDULE "E"

RESULTING ISSUER PRO FORMA FINANCIAL STATEMENTS

(see attached)

CYPHER METAVERSE INC.

Pro Forma Consolidated Financial Statements
June 30, 2023
(Unaudited)
(Expressed in Canadian Dollars, unless otherwise stated)

CYPHER METAVERSE INC.
PRO FORMA STATEMENT OF FINANCIAL POSITION
June 30, 2023
(Unaudited) - (Expressed in Canadian Dollars)

	Cyper Metaverse Inc. June 30, 2023	Agapi Luxury Brands Inc. June 30, 2023	Pro Forma Adjustments	Notes	Consolidated Pro Forma
	$	$	$		$
ASSETS					
Current					
Cash	830,640	5,023			
			(250,000)	2(d)	
			690,000	2(e)	1,275,663
Receivables	3,648	66,851			70,499
Inventory	-	215,566			215,566
Prepaid expenses	67,285	153,741			221,026
Loan receivable	519,120	-	(519,120)	2(f)	-
Digital assets	3,227	-			3,227
Total current assets	1,423,920	441,181	(79,120)		1,785,981
Non-Current					
Non-fungible tokens	12,060	-			12,060
Total assets	1,435,980	441,181	(79,120)		1,798,041
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)					
Current					
Account payable and accrued liabilities	22,158	311,663			333,821
Loan payable	-	519,120	(519,120)	2(f)	-
Promissory notes payable	-	106,803			106,803
	22,158	937,586	(519,120)		440,624
Non-current liabilities					
Promissory notes payable - non-current	-	-	84,874	2(c)	84,874
Total liabilities	22,158	937,586	(434,246)		525,498
SHAREHOLDERS' EQUITY (DEFICIENCY)					
Share capital	31,994,265	1,666,897	(31,994,265)	2(a)	
			1,868,629	2(a)	
			(65,930)	2(b)	
			(84,874)	2(c)	
			690,000	2(e)	4,074,722
Reserves	7,835,959	324,655	(7,835,959)	2(a)	
			242,193	2(a)	566,848
Accumulated other comprehensive income	-	(1,996)			(1,996)
Accumulated deficit	(38,416,402)	(2,485,961)	38,416,402	2(a)	
			(697,000)	2(a)	
			65,930	2(b)	
			(250,000)	2(d)	(3,367,031)
Total shareholders' equity (deficiency)	1,413,822	(496,405)	355,126		1,272,543
Total liabilities and shareholders' equity (deficiency)	1,435,980	441,181	(79,120)		1,798,041

CYPHER METAVERSE INC.
PRO FORMA STATEMENT OF LOSS AND COMPREHENSIVE LOSS
For the Three-month period ended June 30, 2023
(Unaudited) - (Expressed in Canadian Dollars)

	Cypher Metaverse Inc. Three months ended June 30, 2023	Agapi Luxury Brands Inc. Three months ended June 30, 2023	Pro Forma Adjustments	Notes	Consolidated Pro Forma
	$	$	$		$
Revenue					
Revenue	-	279,637			279,637
Cost of revenues					
Cost of sales	-	160,981			160,981
Gross profit	-	118,656	-		118,656
Revaluation of digital assets	412	-			412
Realized (loss) on sale of digital assets	(2,088)	-			(2,088)
	(1,676)	118,656	-		116,980
Expenses					
Advertising and promotion	25,200	161,076			186,276
General and administrative	45,071	153,541			198,612
Management and consulting	206,295	336,954			543,249
Professional fees	79,313	21,736	250,000	2(d)	351,049
Regulatory and transfer agent	10,621	-			10,621
Royalties	-	16,778			16,778
Interest - promissory notes	-	2,871			2,871
Interest and accretion	-	10,982			10,982
Total expenses	366,500	703,938	250,000		1,320,438
Other Items					
Other income (expenses)	11,825	-			11,825
Foreign exchange	3,234	-			3,234
Impairment of non-fungible token	(20,324)	-			(20,324)
Listing expense	-	-	(697,000)	2(a)	(697,000)
Total other items	(5,265)	-	(697,000)		(702,265)
Net loss	(373,441)	(585,282)	(947,000)		(1,905,723)
Foreign currency translation	-	3,738			3,738
Comprehensive loss	(373,441)	(581,544)	(947,000)		(1,901,985)
Loss per share					
Basic and diluted	(0.02)	(0.02)			(0.03)
Weighted average number of common shares					
Basic and diluted	15,118,006	24,000,715			71,821,906

CYPHER METAVERSE INC.
PRO FORMA STATEMENT OF LOSS AND COMPREHENSIVE LOSS
For the Six-month period ended June 30, 2023
(Unaudited) - (Expressed in Canadian Dollars)

	Cypher Metaverse Inc. Six months ended June 30, 2023	Agapi Luxury Brands Inc. Six months ended June 30, 2023	Pro Forma Adjustments	Notes	Consolidated Pro Forma
	$	$	$		$
Revenue					
Revenue	-	415,209			415,209
Cost of revenues					
Cost of sales	-	227,795			227,795
Gross profit	-	187,414	-		187,414
Revaluation of digital assets	123,039	-			123,039
Realized loss on sale of digital assets	(2,088)	-			(2,088)
	120,951	187,414	-		308,365
Expenses					
Advertising and promotion	69,225	248,577			317,802
General and administrative	116,602	259,936			376,538
Management and consulting	506,992	416,633			923,625
Professional fees	120,380	44,186	250,000	2(d)	414,566
Regulatory and transfer agent	24,462	-			24,462
Royalties	-	24,913			24,913
Interest - promissory notes	-	7,259			7,259
Interest and accretion	-	38,897			38,897
Total expenses	837,661	1,040,401	250,000		2,128,062
Other Items					
Other income (expenses)	20,194	-			20,194
Foreign exchange	3,234	-			3,234
Impairment of non-fungible token	(20,324)	-			(20,324)
Unrealized gain (loss) on long-term investments	(34,854)	-			(34,854)
Listing expense	-	-	(697,000)	2(a)	(697,000)
Total other items	(31,750)	-	(697,000)		(728,750)
Net loss	(748,460)	(852,987)	(947,000)		(2,548,447)
Foreign currency translation	-	7,133			7,133
Comprehensive loss	(748,460)	(845,854)	(947,000)		(2,541,314)
Loss per share					
Basic and diluted	(0.05)	(0.04)			(0.04)
Weighted average number of common shares					
Basic and diluted	15,118,006	24,000,715			71,821,906

CYPHER METAVERSE INC.
PRO FORMA STATEMENT OF LOSS AND COMPREHENSIVE LOSS
For the Twelve-month period ended December 31, 2022
(Unaudited) - (Expressed in Canadian Dollars)

	Cypher Metaverse Inc. Twelve months ended December 31, 2022	Agapi Luxury Brands Inc. Twelve months ended December 31, 2022	Pro Forma Adjustments	Notes	Consolidated Pro Forma
	$	$	$		$
Revenue					
Revenue	45,867	495,189			541,056
Cost of revenues					
Cost of sales	-	240,318			240,318
Site operating costs	21,147	-			21,147
Depreciation	31,217	-			31,217
Gross profit	(6,497)	254,871	-		248,374
Revaluation of digital assets	(300,486)	-			(300,486)
Realized loss on sale of digital assets	(78,681)	-			(78,681)
	(385,664)	254,871	-		(130,793)
Expenses					
Advertising and promotion	243,344	353,378			596,722
General and administrative	455,760	391,168			846,928
Management and consulting	1,198,947	543,447			1,742,394
Professional fees	204,670	281,028	250,000	2(d)	735,698
Regulatory and transfer agent	53,654	-			53,654
Royalties	-	29,711			29,711
Stock based compensation	-	249,013			249,013
Interest and accretion	-	109,557			109,557
Total expenses	2,156,375	1,957,302	250,000		4,363,677
Other Items					
Other income (expenses)	21,161	-			21,161
Foreign exchange	4,661	-			4,661
Impairment of non-fungible token	(71,077)	-			(71,077)
Impairment of Capital Blocktech	(52,276)	-			(52,276)
Impairment of investment in Glanis	(127,954)	-			(127,954)
Gain (loss) from investments is associates	(3,724)	-			(3,724)
Unrealized gain (loss) on long-term investments	(472,146)	-			(472,146)
Loss on disposal of data centre equipment	(2,434)	-			(2,434)
Inventory write down	-	(14,764)			(14,764)
Listing expense	-	-	(697,000)	2(a)	(697,000)
Total other items	(703,789)	(14,764)	(697,000)		(1,415,553)
Net loss	(3,245,828)	(1,717,195)	(947,000)		(5,910,023)
Foreign currency translation	-	(26,157)			(26,157)
Comprehensive loss	(3,245,828)	(1,743,352)	(947,000)		(5,936,180)
Loss per share					
Basic and diluted	(0.22)	(0.06)			(0.08)
Weighted average number of common shares					
Basic and diluted	14,436,824	28,298,490			71,821,906

1. BASIS OF PRESENTATION

The accompanying unaudited pro forma consolidated financial statements of Cypher Metaverse Inc. (the "Company") have been prepared by the management of the Company, in accordance with International Financial Reporting Standards ("IFRS").

The Company entered into a binding letter of intent (the "LOI") dated May 10, 2023, to enter into a business combination (the "Transaction") with Agapi Luxury Brands Inc. ("Agapi"). It is expected that upon completion of the Transaction, the combined entity (the "Resulting Issuer") will meet the listing requirements for an industrial issuer and constitute a reverse take-over ("RTO") under the policies of the Canadian Securities Exchange (the "CSE"). Under the terms of the Transaction, the Company will acquire all of the issued and outstanding shares of Agapi in exchange of the issuance of 50,000,000 shares in the Company to the former shareholders of Agapi. This will result in Agapi becoming a 100% wholly owned subsidiary of the Company.

In the opinion of the Company's management, the pro forma consolidated financial statements include all adjustments necessary for fair presentation of the transactions as described in Note 2.

These unaudited pro forma consolidated financial statements of the Company have been compiled from and include:

- The Company's unaudited financial statements as at June 30, 2023 and for the three and six month periods then ended;
- Agapi's unaudited financial statements as at June 30, 2023 and for the three and six month periods then ended;
- the Company's audited financial statements as at December 31, 2022 and for the year then ended;
- Agapi's unaudited constructed statement of loss and comprehensive loss for the 12 months ended December 31, 2022; and
- the additional information set out in Note 2.

The unaudited pro forma consolidated statement of financial position gives effect to the acquisition of Agapi by the Company as if it had occurred on June 30, 2023.

The unaudited pro-forma consolidated financial statements have been prepared for illustrative purposes only and may not be indicative of the combined entities' financial position and results of operations that would have occurred if the acquisition had been in effect at the date indicated as set out in Note 2.

The effective tax rate for the Company is 27%.

(Unaudited) - (Expressed in Canadian Dollars)

2. PRO FORMA TRANSACTIONS

The pro-forma consolidated financial statements were prepared based on the following assumptions:

(a) The Company will acquire all of the issued and outstanding shares of Agapi by way of an RTO, in exchange of the issuance of 50,000,000 shares in the Company to the former shareholders of Agapi. The result will be Agapi becoming a wholly owned subsidiary of the Company.

The transaction will be considered an RTO under the policies of the CSE, whereby the acquirer for accounting purposes will be Agapi.

The purchase price will be allocated as follows:

	$
Consideration	
15,571,605 shares at $0.10 per share	1,868,629
3,288,070 warrants	242,193
	2,110,822
Net assets acquired	
Cash	830,640
Receivables	3,648
Prepaid expenses	67,285
Digital assets	3,227
Non-fungible assets	12,060
Loan receivable	519,120
Accounts payable and accrued liabilities	(22,158)
	1,413,822
Listing expense	697,000
	2,110,822

The fair value of the 15,571,605 common shares of the Company was determined to be $0.10 per common share, based on the market value on the assumed date of the Transaction.

The 3,228,070 warrants were valued at $242,193 using the Black-Scholes Option Pricing Model, with the following weighted average assumptions: volatility of 300%, expected life of 1.11 years, and discount rate of 4%.

2. PRO FORMA TRANSACTIONS (continued…)

(b) Prior to the Transaction, Agapi accepted the surrender of 5,589,315 common shares for cancellation. The original value of these shares was $65,930.

(c) Prior to the Transaction Agapi cancelled 3,434,959 common shares that were returned to treasury. In exchange, two-year promissory notes totaling $85,874, with an annual interest rate of 10%, were issued.

(d) The Company incurred approximately $250,000 of professional fees in connection with the Transaction.

(e) Concurrent with the closing of the Transaction, Agapi intends to complete a non-brokered private placement of 6,250,000 Subscription Receipts at $0.12 per Subscription Receipt (the “Concurrent Financing”) raising gross proceeds of $750,000. Immediately prior to closing of the Proposed Transaction each Subscription Receipt shall be converted into one common share and one half of one common share purchase warrant of the resulting issuer. Each full share purchase warrant shall be exercisable at a price of $0.15 for a period of two years from closing. Finder’s fees of 8% cash and 8% payable in warrants may be paid to eligible finders. Assuming the entire private placement is sourced from qualified finder’s the finders fees will be $60,000 therefore net proceeds to the Company will be $690,000.

(f) The intercompany loan of $519,120 bearing 8% annual interest shall be forgiven upon the closing of the Transaction.

(Unaudited) - (Expressed in Canadian Dollars)

3. SHARE CAPITAL

Common shares

Authorized
Unlimited common shares without par value

Summary of shares issued as at June 30, 2023:

	Number Of Common Shares	Share Capital	Reserves	Subscriptions receivable	Accumulated other comprehensive income
		$	$	$	$
Capital stock of Agapi as at June 30, 2023	65,304,448	1,666,897	324,655	-	(1,996)
Return and cancellation of Agapi shares (Note 2b)	(5,589,315)	(65,930)	-	-	-
Return and cancellation of Agapi shares (Note 2c)	(3,434,959)	(84,874)	-	-	-
Subtotal of Agapi equity prior to the Transaction	56,280,174	1,516,093	324,655	-	(1,996)
Capital stock of the Company as at June 30, 2023	15,571,906	31,994,265	7,834,752	50,060	-
Cancellation of the Agapi equity (Note 2a)	(56,280,174)	(31,994,265)	(7,834,752)	-	-
Consideration shares issued for transaction (Note 2a)	50,000,000	1,868,629	242,193	-	-
Concurrent private placement (Note 2e)	6,250,000	690,000	-	-	-
	71,821,906	4,074,722	566,848	50,060	(1,996)

(Unaudited) - (Expressed in Canadian Dollars)

3. SHARE CAPITAL (continued…)

Warrants

As at June 30, 2023 the Company has the following warrants outstanding:

Number of warrants	Exercise price	Remaining life (years)	Expiry date
607,500	$10.00	0.24	September 24, 2023
20,800	$5.00	0.24	September 24, 2023
128,000	$1.05	0.26	October 4, 2023
6,400	$1.05	0.26	October 4, 2023
1,320,000	$0.90	0.65	February 23, 2024
44,571	$0.90	0.65	February 23, 2024
255,000	$0.90	0.73	March 24, 2024
20,400	$0.90	0.73	March 24, 2024
873,999	$0.15	1.76	April 4, 2025
11,400	$0.15	1.76	April 4, 2025
44,420,616	$0.02	8.10	August 2, 2031
222,103	$0.23	0.65	February 24, 2024
266,524	$0.19	0.65	February 23, 2024
222,103	$0.23	0.75	March 31, 2024
266,524	$0.19	0.75	March 31, 2024
55,526	$0.23	1.10	August 5, 2024
66,631	$0.19	1.10	August 5, 2024
27,763	$0.23	1.40	November 21, 2024
33,315	$0.19	1.40	November 21, 2024
2,332,082	$0.15	1.42	December 1, 2024
222,103	$0.45	1.42	December 1, 2024
20,013,619	$0.06	1.84	February 24, 2024
3,125,000	$0.15	-	2 years from closing of the Transaction
500,000	$0.15	-	2 years from closing of the Transaction
75,061,979	**$0.16**	**5.03**	

Stock Options

As at June 30, 2023, the Company has no stock options outstanding.

4. INCOME TAXES

No value has been ascribed to any acquired tax loss carry forwards obtained by the Company as part of the acquisition of Agapi., as the Company is an early-stage company, and it is not known whether sufficient future taxable profits will be available to utilize these losses prior to expiry.

The effective tax rate applicable to the consolidated operations will be 27%.

SCHEDULE “F”

COMPREHENSIVE VALUATION REPORT

COMPREHENSIVE VALUATION REPORT

FOR

CYPHER METAVERSE INC.

ON

AGAPI LUXURY BRANDS INC.

VANCOUVER, BRITISH COLUMBIA

September 21, 2023

EVANS & EVANS, INC.

TABLE OF CONTENTS

1.0 ASSIGNMENT AND BACKGROUND

1.1 Assignment

Evans & Evans, Inc. ("Evans & Evans" or the "authors of the Report") was engaged by the Board of Directors (the "Board") of Cypher Metaverse Inc. ("Cypher" or the "Issuer") to prepare an Comprehensive Valuation Report (the "Report") with respect to the fair market value of Agapi Luxury Brands Inc. ("Agapi" or the "Company") as at March 31, 2023 (the "Valuation Date").

Evans & Evans understands Cypher, formerly known as Codebase Ventures Inc., is a reporting issuer whose shares are listed for trading on the Canadian Securities Exchange ("CSE" or the "Exchange") under the symbol "CODE". Evans & Evans further understands Cypher is contemplating the acquisition of 100% of Agapi in exchange for shares of Cypher (the "Transaction").

Evans & Evans understands the Report may be subject to the requirements listed as part of Multilateral Instrument 61-101 ("MI 61-101" or the "Instrument") and agrees to conform to such Instrument. The Report is intended for internal purposes of the Board and may be shared with the management of Cypher at the discretion of the Board. The Report may be included in public disclosure documents associated with Cypher's proposed acquisition of Agapi. The Report may be filed on SEDAR, The Report may be submitted to the Exchange and British Columbia Securities Commission ("BCSC").

As Evans & Evans will be relying on information, materials and representations provided to us by Cypher and the Company's management and associated representatives, the authors of the Report will require that management confirm to Evans & Evans in writing that the information and management's representations contained in the Report are accurate, correct and complete, and that there are no material omissions of information that would affect the conclusions contained in the Report.

Evans & Evans, or its staff and associates, will not assume any responsibility or liability for losses incurred by the Issuer, the Company and/or their respective shareholders, management or any other parties as a result of the circulation, publication, reproduction, or use of the Report, or any excerpts thereto contrary to the provisions of this section of the Report. Evans & Evans also reserves the right to review all calculations included or referred to in the Report and, if Evans & Evans considers it necessary, to revise the Report in light of any information existing at the Valuation Date which becomes known to Evans & Evans after the date of the Report.

Unless otherwise indicated, all monetary amounts are stated in Canadian dollars.

1.2 Background of Cypher and Agapi

Cypher

Cypher is a is a diversified investment company which holds cryptocurrencies and non-fungible tokens. Cypher is also involved in the business of utilizing specialized equipment to solve complex computational problems to validate transactions on the Bitcoin blockchain. Cypher receives Bitcoin in return for successful service Cypher's bit mining operations are currently on hold pending managements review of strategic alternatives which may include purchasing new hardware, pursuing proof of stake crypto asset-based revenue models, or alternative investments.

Cypher was incorporated in British Columbia on February 19, 2009.

Agapi

Agapi was incorporated pursuant to the provisions of the British Columbia *Business Corporations Act* on June 11, 2021. On May 17, 2023, the Company changed its name from Agape Lifestyle Inc. to Agapi Luxury Brands Inc. The Company, through its wholly owned subsidiary, Freud Cigar LLC ("Freud Cigars"), a Florida limited liability company, is engaged in the business of developing, marketing, and selling tobacco products in the US and internationally.

The Company operates as a wholesaler of premium/luxury, hand-rolled cigars. Agapi imports cigars from two factories in the Dominican Republic. The factories work in partnership with the Company to curate unique and innovative cigar blends targeted at the luxury cigar consumer in the US and international markets. Both factories handle all aspects of production from procurement of tobacco, blending, rolling, labelling and final packaging of cigars in boxes. The final product is then imported into the US arriving at a distribution warehouse in Reno, Nevada or sent to international distributors in Europe, Asian and the Caribbean.

The Company commercialized its products in the US in July 2022 and in the international markets in October 2022. In the US, Agapi utilizes a team of independent sales consultants to drive sales with tobacco retailers. Retailers are a mix of cigar lounges, cigar friendly bars, smoke shops, cigar shops and online tobacco retailers.

Financial results

The Company's financial years ("FY") ends on June 30, The Company generated revenues of $605,902 and an operating loss of $865,110 for the nine months ended March 31, 2023. For FY2022 the Company did not generate any revenues and the operating loss was $1,038,763.

2.0 VALUATION CONCLUSION

It is the view of Evans & Evans, given the scope of its engagement and with reference to its engagement letter that the fair market value of the Company on a controlling, non-marketable basis as at the Valuation Date (March 31, 2023) is in the range of $3,600,000 to $4,010,000.

This conclusion as well as the entire Report is subject to the scope of the work conducted (refer to section 5.0) as well as the assumptions made (refer to section 7.0) and to all of the other sections of the Report.

3.0 MARKET OVERVIEW

According to a research report published by Straits Research the global cigar market was valued at US$41.57 billion in 2021 and is projected to reach US$114.36 billion by 2030, growing at a compound annual growth rate ("CAGR") of 11.90% during the forecast period from 2022 to 2030. Based on product type, the global market is bifurcated into conventional and premium cigars. Premium cigars are more of a lifestyle statement than anything else, demand for them is rising quickly. In addition to developed nations like the United States, France, and Germany, there is a growing market for premium cigars in emerging nations like China and India[1].

Cigars contain less amounts of nicotine than cigarettes. Increasing smoking for recreational purposes and celebratory events such as parties, festivals, etc., is a factor driving the growth of the global cigar market. The growing demand for flavored cigars with high-quality tobacco among individuals is another factor fueling the growth of the target market. Furthermore, increasing research and development activities for improvement in the taste and flavors of cigars is a factor expected to boost the growth of the global cigar market in the near future[2].

As per a research report published by The Brainy Insights Pvt. Ltd., the global luxury cigar market was valued at US$12.84 billion in 2021 and is projected to grow at a CAGR of 7.80% to reach US$25.26 billion by 2030 as shown in the below chart. North America held the largest share of the global luxury cigar market with a 35.7% share of the market revenue in 2021. In terms of distribution the market is divided into offline and online segments. By 2030, the online segment is likely to dominate the market by 62.54%. In terms of type the market is divided into machine rolled and hand rolled segments. The hand rolled segment led the market with a market share of 64.26% in 2021 because of the cigars which are hand-rolled have

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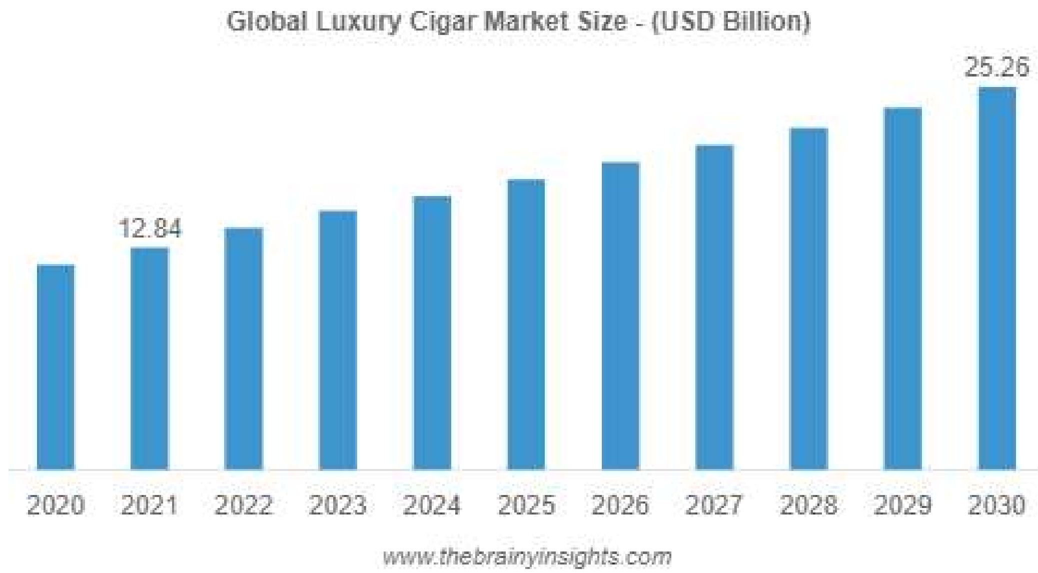
[1] https://straitsresearch.com/report/cigar-market
[2] https://marketresearch.biz/report/cigar-market/

more acceptance among superior smokers than cigars made up of machine-rolled due to their higher class.[3]

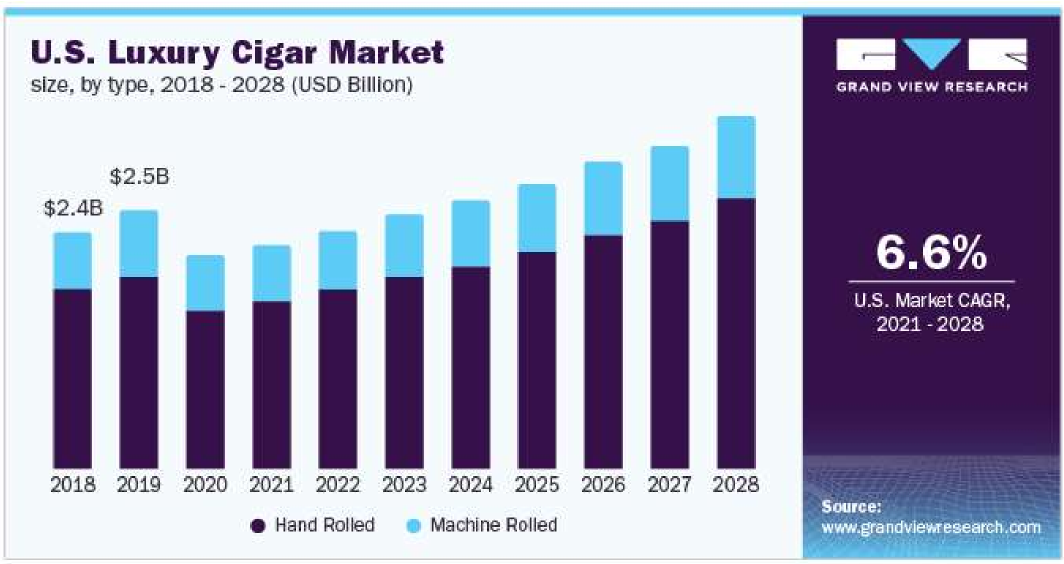


According to a Grand View Research Inc. research report the global luxury cigar market was valued at US$11.61 billion in 2020 and is expected to expand at a CAGR of 7.2% from 2021 to 2028. A rise in luxury hotel establishments that offer premium cigar lounges is expected to have a positive impact on the market growth over the forecast period. Moreover, the increasing consumption of tobacco among millennials is anticipated to boost the market growth. The COVID-19 pandemic has had a negative impact on the tobacco industry. Factory and store closures due to strict lockdown measures significantly impacted the industry, with sales decreasing by 20%-30% from March to April 2020 globally. Companies have been responding positively to the crisis by offering luxury cigars through the online medium as consumers preferred online shopping over offline owing to safety concerns. North America held the largest revenue share of over 30.0% in 2020. Consumers in North American countries such as the US and Canada are willing to pay a high price for unconventional premium cigars.

As shown in the below picture the US luxury cigar market was valued at US$2.5 billion in 2019 and is expected to grow at a CAGR of 6.6% over the period from 2021 to 2028. The hand-rolled segment held the largest revenue share of over 75.0% in 2020 and is expected to maintain its lead over the forecast period. Hand-rolled cigars are more popular among premium smokers than machine-rolled cigars owing to their comparatively higher quality. Fillers of luxury hand-rolled cigars are

[3] https://www.thebrainyinsights.com/report/luxury-cigar-market-12664

made up purely of tobacco leaves, which leads to a better flavor. Furthermore, there has been a rise in consumer preference for a smoother taste experience from cigars, coupled with the willingness to pay a higher price, which, in turn, is increasing the production and imports of cigars. Based on a study by the Cigar Association of America, more than 362 million handmade cigars were imported into the US in 2019, which was the highest spending for the import of hand-rolled cigars since 1997. Furthermore, hand-rolled luxury cigars have a higher consumer preference by male smokers owing to their smooth and mellow taste. Based on a study by MDPI, US, more than 79% of male smokers between 22 to 66 years prefer premium products owing to their smoother and cleaner taste, which is anticipated to further fuel the market demand over the forecast period from 2021 to 2028[4].



An increase in demand for luxury cigars among premium smokers and millennials is strengthening the market growth. Based on a study by the United States Department of Agriculture ("USDA"), the US per person revenue generated from the sale of cigars was US$28.48 in 2019 and increased to US$30 in 2020. In recent years, a large number of premium cigar lounges have emerged across the globe has propelled the demand for luxury cigars majorly smoked in premium lounges.

According to a study by Cigar Journal, as of 2020, more than 4,553 cigar lounges were operating in the US, and this number is further expected to rise in the coming years, primarily driven by a rise in the social acceptability of smoking, coupled with an increase in consumer preference towards a smoother taste of cigars.

[4] https://www.grandviewresearch.com/industry-analysis/luxury-cigar-market-report

There has been a significant year-on-year rise in tobacco consumption across the globe. Based on a study by the World Health Organization, male tobacco use rose to approximately 40 million, from 1.05 billion in 2000 to 1.09 billion in 2018. The study also revealed that even though more than 32 countries worldwide are aiming to reduce tobacco consumption by 30% by 2025, based on current progress a reduction of only 23% could be achieved, depicting the drastic rise in tobacco use. Thus, the rise in tobacco consumption is one of the major factors impacting the demand for luxury cigars[5].

4.0 DEFINITION OF FAIR MARKET VALUE

For the purposes of our Report, Evans & Evans has been requested by the Board to refer to MI 61-101. Fair market value as defined in MI 61-101 is "*the monetary consideration that, in an open and unrestricted market, a prudent and informed buyer would pay to a prudent and informed seller, each acting at arm's length with the other and under no compulsion to act*".

The MI 61-101 definition of fair market value is in line with the Canadian Institute of Chartered Business Valuators definition of fair market value – "*the highest price, expressed in terms of cash equivalents, at which property would change hands between a hypothetical willing and able buyer and a hypothetical willing and able seller, acting at arms-length in an open and unrestricted market, when neither is under compulsion to buy or sell and when both have reasonable knowledge of the relevant facts*."

With respect to the market for the shares of a company viewed "en bloc" there are, in essence, as many "prices" for any business interest as there are purchasers and each purchaser for a particular "pool of assets", be it represented by overlying shares or the assets themselves, can likely pay a price unique to it because of its ability to utilize the assets in a manner peculiar to it.

In any open market transaction, a purchaser will review a potential acquisition in relation to what economies of scale (e.g., reduced or eliminated competition, ensured source of material supply or sales, cost savings arising on business combinations following acquisitions, and so on), or "synergies" that may result from such an acquisition.

Theoretically, each corporate purchaser can be presumed to be able to enjoy such economies of scale in differing degrees and therefore each purchaser could pay a different price for a particular pool of assets than can each other purchaser.

[5] https://www.grandviewresearch.com/industry-analysis/luxury-cigar-market-report

Based on our experience, it is only in negotiations with such a special purchaser that potential synergies can be quantified and even then, the purchaser is generally in a better position to quantify the value of any special benefits than is the vendor.

In this engagement Evans & Evans was not able to expose the Company for sale in the open market and were therefore unable to determine the existence of any special interest purchasers who might be prepared to pay a price equal or greater than the fair market value (assuming the existence of special interest purchasers) outlined in the Report. As noted above, special interest purchasers might be prepared to pay a price higher than fair market value for the synergies noted above. The shares of the Company have been valued *en bloc.*

5.0 SCOPE OF THE REPORT

The authors of the Report have reached the assessments contained herein by relying on the following:

- Interviewed management and representatives of Cypher and the Company on numerous occasions. The purpose of the interviews was to gain an understanding of the Company's financial and business model and operations plan going forward.
- Reviewed management responses to Evans & Evans' valuation questionnaire.
- Reviewed the business plan for the Company's subsidiary Freud Cigars as provided by management.
- Reviewed the Company's website https://freudcigars.com.
- Reviewed the Company's forecast for the three months ending June 30, 2023 and fiscal years ending March 31, 2024 to 2028. Also discussed with management the key underlying assumptions.
- Reviewed the audited consolidated financial statements of the Company from the period of incorporation on June 11, 2021 to June 30, 2021 and for the financial year ended June 30, 2022 as audited by Saturna Group Chartered Professional Accountants LLP of Vancouver, Canada.
- Reviewed the management prepared financial statements for the Company for the nine months ended March 31, 2023.
- Reviewed Cypher's audited consolidated financial statements for the year ended December 31, 2022.

- Reviewed the draft partnership agreement between Fumare Internationale doing business as illusione Cigars and Freud Cigars LLC dated June 13, 2022 whereby Fumare International will import, receive and fulfill all products for the Company.

- Reviewed publicly available information on Fumare International, including the firm's website getfumare.com.

- Reviewed the Commission Sales Agreement between the Company and Impact Force, Inc. ("Impact") dated April 6, 2023. Impact was granted the exclusive rights to sell the Company's products in the territories of Illinois, Indiana, Iowa, Kentucky, Michigan, Minnesota, Nebraska, North Carolina, North Dakota, Ohio, Western Pennsylvania, South Carolina, South Dakota, Tennessee and Wisconsin.

- Reviewed various press releases of the Company regarding new product launches.

- Reviewed U.S. Corporation Income Tax Return for Freud Cigars LLC for tax year 2021.

- Reviewed Articles of Organisation for Freud Cigars LLC, as Florida Limited Liability Company dated July 7, 2021.

- Reviewed the Certificate of Incorporation issued under the *Business Corporation Act* (British Columbia) for Agapi dated June 11, 2021.

- Reviewed the Notice of Articles issued under the *Business Corporation Act* (British Columbia) for Agapi dated June 11, 2021.

- Reviewed a treasury direction letter issued by Agapi Lifestyle Inc. to Norton Rose Fulbright Canada LLP dated December 1, 2022 related to a financing consisting of issuance of 1,125,000 units of the Company at a price of $0.20 per unit.

- Reviewed the paper entitled "Trends in the Number and Type of Tobacco Product Retailers, United States, 2000–2017" by Shelley D. Golden PhD, Christopher D. Baggett PhD, Tzy-Mey Kuo PhD, Amanda Y. Kong PhD1, Paul L. Delamater PhD, Vivian Qingzi Tao MPH, MS1, and Kurt M. Ribis PhD.

- Reviewed information on the Company's market from a variety of sources as referenced in section 3.0 of the Report.

- Reviewed financial and stock market trading data on the following companies: Altria Group, Inc.; British American Tobacco p.l.c.; Imperial Brands PLC;

Karelia Tobacco Company Inc.; Scandinavian Tobacco Group A/S; Turning Point Brands, Inc.; 22nd Century Group, Inc.; Bulgartabac Holding AD; Charlie's Holdings, Inc.; Healthier Choices Management Corp.; Hempacco Co., Inc.; Philip Morris CR a.s.; Philip Morris International Inc.; Philip Morris Operations a.d. Nis; The West Indian Tobacco Company Limited; Vector Group Ltd.; and VPR Brands, LP.

- Reviewed information on various mergers & acquisitions transactions in the cigar industry.

- **Scope restriction**: Evans & Evans did not undertake a visit to the Company's facilities.

6.0 CONDITIONS OF THE REPORT

- The Report is prepared for internal purposes of the Board and may be shared with management of Cypher at the discretion of the Board.

- The Report may be submitted to the CSE and the BCSC or filed on SEDAR.

- The Report may be included in public disclosure documents associated with Cypher's proposed acquisition of Agapi.

- The Report is not intended for use in any court proceedings or for submission to any tax authorities.

- Any use beyond that defined above is done so without the consent of Evans & Evans and readers are advised of such restricted use as set out above.

- Evans & Evans did rely only on the information, materials and representations provided to us by the Company's management, the Company and associated representatives. Evans & Evans did apply generally accepted valuation principles to the financial information it received from the Company's management, the Company and associated representatives.

- We have assumed that the information, which is contained in the Report, is accurate, correct and complete, and that there are no material omissions of information that would affect the conclusions contained in the Report that the Company is aware of. Evans & Evans did not attempt to verify the accuracy or completeness of the data and information available. The conclusion hence does not represent our unqualified assessment. In order to provide an unqualified assessment and/or an opinion, Evans & Evans would have undertaken more research, analysis and independent due diligence.

- Should the assumptions used in the Report be found to be incorrect, then the valuation conclusion may be rendered invalid and would likely have to be reviewed in light of correct and/or additional information.

- Evans & Evans denies any responsibility, financial or legal or other, for any use and/or improper use of the Report however occasioned.

- Evans & Evans will rely upon a letter of representation obtained from the officers / management and representatives of the Company, wherein they confirm certain representations and warranties that they made to the authors of the Report, including a general representation that they have no information or knowledge of any material facts or information not specifically noted in this Report, which, in their view, would reasonably be expected to affect the assessments expressed herein.

- Evans & Evans has not verified the status of any of the Company's and the Company's officers and directors and shareholders' potential legal affairs and/or matters and can, therefore, provide the reader no comfort or make any comments as to whether there are any off-balance sheet or contingencies, claims, possible claims, substantial commitments, or litigation pending or threatened against the Company and/or any of the Directors/Officers of the Company.

- Evans & Evans has not carried out any audit procedures on historical expenditures or financial statements nor have the authors of the Report examined the financial accounts of the Company. Accordingly, the authors of the Report's reliance on the historical financial statements are based solely on the representations of management of the Company.

- Evans & Evans's assessments and conclusion is based on the information that has been made available to it. Evans & Evans reserves the right to review all information and calculations included or referred to in the Report and, if it considers it necessary, to revise part and/or its entire Report in light of any information which becomes known to Evans & Evans during or after the date of this Report.

- The Report is not a fairness opinion and should not be treated as such.

- The Report, and more specifically the assessments and views contained therein, is meant as independent review of the Company as at March 31, 2023. The authors of the Report make no representations, conclusions, or assessments, expressed or implied, regarding the Company or events after the date of which final information was provided to Evans & Evans. The information and assessments contained in the Report pertain only to the conditions prevailing at the time the Report was substantially completed from April to May of 2023. Management provided the audited financial statements of the Company for the period ended June 30, 2021 and for the year ended June 30, 2022 on September 21, 2023.

- Evans & Evans as well as all of its Principal's, Partner's, staff or associates' total liability for any errors, omissions or negligent acts, whether they are in contract or in tort or in breach of fiduciary duty or otherwise, arising from any professional services performed or not performed by Evans & Evans, its Principal, Partner, any of its directors, officers, shareholders or employees, shall be limited to the fees charged and paid for the Report. No claim shall be brought against any of the above parties, in contract or in tort, more than two years after the date of the Report.

7.0 ASSUMPTIONS OF THE REPORT

In arriving at its conclusions, Evans & Evans have made the following assumptions:

1) An audit of the Company's financial statements for the period ended March 31, 2023 would not result in any material changes to the draft financial statements provided to the authors of the Report.

2) As at the Valuation Date all assets and liabilities of the Company have been recorded in their respective accounts and financial statements and follow International Financial Reporting Standards.

3) The financial forecast for the Company as provided by the management of the Company, represents management's best estimate of the future economic performance of the Company as at the Valuation Date.

4) The convertible debt converts prior to the completion of the Proposed Transaction and will not be assumed by Cypher.

5) There was no material change in the financial position of the Company between the date of the most recent financial statements and the Valuation Date unless noted in the Report.

6) The book values of the Company's fixed asset is equal to fair market value unless noted in the Report.

7) Evans & Evans has assumed that the Company and all of its related parties and their principals have no current and/or other contingent liabilities, unusual contractual arrangements, or substantial commitments, other than in the ordinary course of business, nor litigation pending or threatened, nor judgments rendered against, other than those disclosed by management and included in the

Report, (the Report is not a formal fairness opinion) that would affect Evans & Evans' evaluation or comments.

8) Agapi has complied with all government taxation, import and export and regulatory practices as well as all aspects of its contractual agreements that would have an effect on the Report, and there are no other material agreements entered into by Agapi that are not disclosed in the Report or the Company's disclosure documents.

9) Evans & Evans made certain assumptions as outlined in the Exhibits of the Report.

10) At the Valuation Date, no specific special purchaser(s) was/were identified that would pay a premium to purchase 100% of the Company.

This Report is based upon information made available to Evans & Evans and on the assumptions that have been made. Evans & Evans reserves the right to review all information and calculations included or referred to in this Report and, if we consider it necessary, to revise our views in the light of any information which becomes known to us during or after the date of this Report.

8.0 FINANCIAL HISTORY

The authors of the Report reviewed the Company's financial statements for the financial years ended June 30, 2021 and 2022 and for the period ended March 31, 2023 as outlined in Exhibit 1.0 – Historical Balance Sheet and Exhibit 2 - Historical Income Statement. Evans & Evans has common sized the results to indicate trends.

9.0 FINANCIAL PROJECTIONS

Evans & Evans reviewed the Company's financial projection for the three months ending June 30, 2023 and for the financial years ending June 30, 2024 to 2028 as outlined in Exhibit 3.0 – Financial Projections. Evans & Evans has common sized the results to indicate trends.

10.0 TANGIBLE ASSET BACKING

In determining the underlying book value of a company or business, it is useful to view the tangible asset backing ("TAB") as at the Valuation Date.

The value of a firm's tangible assets affects a purchaser's analysis of the risk inherent in investing in that firm. TAB is defined as the aggregate fair market value of all tangible and identifiable intangible assets of a business, where the latter have values that can be separately determined under a going-concern assumption, minus all operating liabilities.

Tangible assets represent the assets required in operations such as fixed assets and working capital net of operating liabilities such as bank debt. Identifiable intangible assets are assets such as patents, trademarks, customer relationships and licenses.

TAB provides insight into the risk associated with the particular investment because, in a worst-case scenario, the net tangible assets of the company could be sold. The proceeds realized could then be used to relieve the liabilities of the company and recoup shareholder investment. The TAB also provides an indication of the capital investment required to enter the market. In this case, the TAB provides an indication of the potential financial barrier to entry for new competitors.

The authors of the Report reviewed the balance sheet of the Company as at March 31, 2023 and made certain adjustments in calculating the TAB of the Company as at the Valuation Date. The TAB is calculated as $149,000 as outlined in Exhibit 4.0 - Tangible Asset Backing - Enterprise Level.

11.0 REDUNDANT ASSETS

The authors of the Report assessed whether there are any redundancies or redundant assets in the Company. Redundant assets are defined as those assets that are not required in the day-to-day operation of a business, and accordingly can be liquidated or put to some alternative use without affecting risk inherent in the business and operating performance of the business. The fair market value of a company's redundant assets increases the fair market value of its shares otherwise determined under an income-based and/or asset-based approach.

In reviewing the Company's financial position, Evans & Evans assessed that the Company has no redundant assets.

12.0 BUSINESS AND MARKET SUMMARY ASSESSMENTS

In arriving at the valuation conclusions contained herein, the authors of the Report have considered the following assessments.

1. The Company has an entrepreneurial management-team that is committed to the growth of the Company in the US and globally. The Company's CEO, Luis Torres, has extensive experience in the cigar industry and has held top management positions at leading brands in the cigar industry. The Company's management team also include a Sales Coordinator, Emmanuel Diaz. Emmanuel has years of experience in managing events and activities in cigar lounges and introducing new cigar releases, promoting cigar smoking options and accessories and creating promotions for customers. Management of the Company is able to speak very clearly on the goals and objectives of the Company and the steps necessary to achieve said goals. The experience and

expertise as well as the commitment of the Company's management must be viewed positively.

2. Evans & Evans notes the Company maintains a lean executive team and relies on external consultants where necessary. This is appropriate given the current stage of development and financial position of the Company.

3. The Company has established various strategic partnerships to advance its business and implement its strategic plans. The Company imports cigars from two factories in the Dominican Republic, Tabacalera William Venutra and Tabacalera Diaz Cabrera. Both factories are owned and managed by well-known tobacco blenders. The factories work in partnership with the Company to curate unique and innovative cigar blends targeted at the luxury cigar consumer in the US. Both factories handle all aspects of production from procurement of tobacco, blending, rolling, labelling and final packaging of cigars in box.

4. The Company's business model is focused on outsourcing production in order to focus its corporate efforts on branding, product formulation and marketing. As a result of outsourcing production, the Company is able to reduce its upfront and ongoing capital requirements.

5. The Company recently entered into an agreement with Impact Force Inc. ("Impact"), a cigar brokerage and consulting firm, to drive US sales growth. Impact brings an extensive industry experience and cigar market knowledge that may help the Company grow it's US sales and penetrate new retailers. Impact currently sells products to 2,000 stores in the US. Impact noted that approximately 200 to 400 stores would be appropriate for the Company's products.

6. The Company has partnered with Fumare Internationale Inc. ("Fumare"), is a specialty tobacco retailer in Reno, Nevada, for Fumare to import, receive and fulfill all products for the Company in the US. The Company's cigars are imported directly from the Dominican Republic and arrive at a warehouse in Reno managed by Fumare. Fumare receives orders from the Company's sales team and is then responsible for order fulfilment.

7. Management represented that the Company also has strategic relationships with six international distributors located in the Dominican Republic, Puerto Rico, Switzerland, UK, and Hong Kong who distributes throughout Hong Kong, China and Serbia. The Company's distribution network provides access to North American, Caribbean, Europe and Asian cigar markets.

8. The Company's cigars were first commercialized in the US, with first sales made to tobacco retailers in July 2022. Since commercialization the Company has grown the external sales team and successfully sold over 50,000 cigars with over 40,000 cigars sold in the US and 10,000 sold in the international markets. As of March 2023, the Company's cigars are stocked with 77 tobacco retailers across 26 states. The highest distribution volumes are in California (756 boxes across 3 retailers), Pennsylvania (454 boxes across 12 retailers) and Florida (369 boxes across 12 retailers). These three states account for 50% of the Company's cigars available in the US market.

9. The Company has several registered trademarks related to the brand and products including Freud Cigars, Freudian Cigars, Sigmund Cigars, Indulge, Indulgence, Indulgence by Freud Cigars, Redefining Luxury Cigars and Reina Cubana, which is the same name as that of the original Cuban brand famously smoked by Sigmund Freud.

10. The current financial model focuses on the sale of cigars, but Agapi does plan to release branded merchandise and supplies / equipment in the future.

11. As outlined in section 3.0 of the Report, the Company is targeting a large and growing market which offers significant growth opportunities and may help the Company grow its revenues significantly going forward.

12. The cigar market is highly fragmented, made up of 100's of companies creating a highly competitive operating environment. Management represented, as shown in the below picture, the Company's Freud limited-edition cigar clearly stands out next to traditional luxury brands with its striking embossed outer band. This outer band is a key product differentiator and unlike anything else found in the market.

13. As per management, Cigar Aficionado, one of the most prominent cigar reviewers in the US, recently gave the Company's Freud Agapi a 90-point rating, ahead of 87 point La Aurora Family Reserve Fernando Leon Legacy and ahead of 88 point newly released Diamond Crown Black Diamond by J.C.

Newman which utilizes tobacco from the famed Fuente farm. The fact that the Company is standing head-to-head with the best and oldest companies in the Dominican indicates to the innovation the Company is bringing to the market. Halfwheel, another credible cigar media outlet, named the Freud Cigars as a runner up in the 2022 New Company of the Year awards further validating that Freud Cigars is bring a unique value proposition to the market.

13.0 METHODOLOGIES

13.1 Overview of Methodologies

In valuing an asset and/or a business, there is no single or specific mathematical formula. The particular approach and the factors to consider will vary in each case. Where there is evidence of open market transactions having occurred involving the shares, or operating assets, of a business interest, those transactions may often form the basis for establishing the value of the company. In the absence of open market transactions, the three basic, generally-accepted approaches for valuing a business interest are:

(a) The Income / Cash Flow Approach;

(b) The Market Approach; and

(c) The Cost or Asset-Based Approach.

A summary of these generally-accepted valuation approaches is provided below.

The Income/Cash Flow Approach is a general way of determining a value indication of a business (or its underlying assets), using one or more methods wherein a value is determined by capitalizing or discounting anticipated future benefits. This approach contemplates the continuation of the operations, as if the business is a “going concern”.

The Market Approach to valuation is a general way of determining a value indication of a business or an equity interest therein using one or more methods that compare the subject entity to similar businesses, business ownership interests and securities (investments) that have been sold. Examples of methods applied under this approach include, as appropriate: (a) the “Guideline Public Company Method”, (b) the “Merger and Acquisition Method”; and (c) analyses of prior transactions of ownership interests in the subject entity.

The Cost Approach is based upon the economic principle of substitution. This basic economic principle asserts that an informed, prudent purchaser will pay no more for an asset than the cost to obtain an opportunity of equal utility (that is, either purchase or construct a similar asset). From an economic perspective, a purchaser will consider the costs that they will avoid and use this as a basis for value. The Cost Approach typically includes a comprehensive and all- inclusive definition of the cost to recreate an asset. Typically, the definition of cost includes the direct material, labor and overhead costs, indirect administrative costs, and all forms of obsolescence applicable to the asset.

The Asset-Based Approach is adopted where either: (a) liquidation is contemplated because the business is not viable as an ongoing operation; (b) the nature of the business is such that asset values constitute the prime determinant of corporate worth (e.g., vacant land, a portfolio of real estate, marketable securities, or investment holding company, etc.); or (c) there are no indicated earnings/cash flows to be capitalized. If consideration of all relevant facts establishes that the Asset-Based Approach is applicable, the method to be employed will be either a going-concern scenario ("Net Asset Method") or a liquidation scenario (on either a forced or an orderly basis), depending on the facts.

Lastly, a combination of the above approaches may be necessary to consider the various elements that are often found within specialized companies and/or are associated with various forms of intellectual property.

14.0 SELECTED VALUATION APPROACHES

14.1 Overall Valuation Approach

With respect to the Company, Evans & Evans believed it was appropriate to value the Company on a going concern basis. The reasons for choosing a going concern method are: (1) the Company is generating revenues as at the Valuation Date; (2) the Company is projecting revenues to grow significantly going forward; and, (3) the going concern approach yields a higher value than a liquidation approach.

Given the approaches for valuation outlined above, it is the view of the authors of the Report that that the most appropriate methods in determining the range of fair market value of the Company at the Valuation Date were:

1. Discounted Cash Flow ("DCF") Method: Evans & Evans determined that an Income Approach specifically the DCF Method is an appropriate method in determining the fair market value of the Company. A DCF Method was deemed appropriate as the Company is projecting revenues to grow significantly over the next few years. The DCF Method captures the potential of the Company going forward.

2. Guideline Public Company ("GPC") Method: Evans & Evans also deemed the Market Approach, specifically, the GPC Method utilizing a multiple of revenues as an appropriate method in determining the fair market value of the

Company. Evans & Evans considered the GPC Method appropriate as it reflects the prices investors are willing to pay for similar companies operating in the tabaco product industry. Further, the GPC Method focused more on short-term results which have more certainty.

14.2 Methods Considered but Not Utilized

Evans & Evans also attempted to use a variety of other corroboratory approaches. In this regard, Evans & Evans examined and considered the following traditional valuation approaches, but were unable to use any of them:

(1) Historical Transaction Method. The Historical Transaction Method is based on determining the fair market value of a company based on the issuance of shares. In December of 2022, the Company did complete a financing which raised gross proceeds of $225,000 based on a valuation of the Company exceeding $5.0 million. However, given the very small size of the financing (less than 4% of Agapi), Evans & Evans did not view it to be indicative of the fair market value of 100% of the Company.

(2) Cost Approach - is generally appropriate under certain circumstances where an asset is still under development, there is no history of generating cash flows, and future cash flows are so uncertain as to be speculative. A weakness of the Cost Approach is that the cost of the opportunity may bear little relationship to the economic benefits that a purchaser might anticipate deriving from such opportunity upon commercial exploitation of the asset. Given the Company is generating revenues, the Cost Approach was deemed inappropriate.

(3) Asset-Based Approach - is generally utilized where either: (i) the company is not deemed to be a going concern; (ii) the nature of the business is such that asset values represent the largest portion of the company's worth (e.g., real estate holding companies); and, (iii) there are no earnings or cash flow to be capitalized. In the case of the Company the fact that the assets are primarily intangible in nature made the use of the Asset-Based Approach inappropriate.

(4) Income Approach – Capitalized Earnings / Cash Flow. The Company is projecting earnings to grow significantly over the next few years, making the use of an Income Approach based on historical results, which have not stabilized, inappropriate.

(5) Market Approach - Mergers & Acquisitions Method. Under this method implied multiples are calculated by analyzing the price paid and revenues/earnings generated by acquired companies. Evans & Evans did conduct a review of mergers & acquisition transactions, however, did not find any transactions which were comparable to the Company.

15.0 VALUATION OF AGAPI

15.1 Discounted Cash Flow Method ("DCF Method")

As a starting point for the DCF Method, Evans & Evans reviewed the Company's financial projections for the three months ending June 30, 2023 and for the financial years ending June 30, 2024 to 2028 as outlined in Exhibit 3.0 - Financial Projections. Evans & Evans extended the projections by one additional year to account for the gradual decline of the revenue growth rate to the long-term growth rate of 2.5%. The net present value of the cash flows was determined by discounting for business risk and time value of money.

15.1.1 Derivation of a Discount Rate

A discount rate is used to convert a future stream of cash flows into value, whereas a capitalization rate (equal to the discount rate minus the cash flow growth rate) is utilized to convert a single period's cash flow into value. When utilizing debt-free cash flow, the most appropriate discount rate is the Company's weighted average cost of capital ("WACC"), which provides an expected rate of return based on Company's capital structure, the required yield on the Company's equity, and the required yield on interest-bearing debt. The reader is advised to refer to Exhibit 9.0 – Weighted Average Cost of Capital (WACC) for a calculation and selection of the discount rates used in the analysis.

The basic formula for computing WACC can be expressed as follows:

$$WACC = (k_e \times W_e) + (k_d \times [1-t] \times W_d)$$

Where:

WACC	=	Weighted average cost of capital
k_e	=	Corporation's cost of equity capital
k_d	=	Corporation's cost of debt capital
W_e	=	Percentage of equity capital in the capital structure
W_d	=	Percentage of debt capital in the capital structure
t	=	Corporation's effective income tax rate

The income tax rate used in the analysis is 25.3% based on the US federal corporate tax rate of 21% and Florida state corporate tax rate of 5.5%.

Based on our independent analysis of the Company and the industry knowledge the cost of debt for the Company was estimated to be 11.59%. This pre-tax cost of debt was used in our build-up of WACC.

The remaining component of WACC, the cost of equity, was derived using the "build-up" method. The method constructs a discount rate by "building up" the components of such a rate. Starting with the risk-free rate prevalent at the Valuation Date, a generic equity risk premium, size premium, industry risk premium and a company-specific risk premium is then added.

An equity risk premium ("ERP") of 6.35% was utilized based on the Long Horizon expected ERP (supply side) as documented in Duff & Phelps Cost of Capital Navigator. The build-up method also incorporates a small stock premium of 4.83% based on the 10th decile, which encompasses companies with market capitalization between US$2.0 million and US$218.2 million, as documented in the Duff & Phelps Cost of Capital Navigator.

Combining the current long-term government bond yield and the equity-risk and small stock premia provides an estimate of the potential return that investors, in the March of 2023 interest rate environment, would require for investing in a diversified portfolio of equities of small companies. With 20-year US government bond yields at 3.81% as of the Valuation Date, the implied return requirement for investing in a diversified portfolio of publicly traded small companies is 14.99%.

The estimated required market return captures only systematic or market risk for small companies and does not address the risk specific to the Company and the industry in which the Company operates. For this reason, a notional purchaser of the Company would require a premium for the Company specific and industry specific factors to induce investment. A number of factors indicate that an investment in the Company is riskier than an investment in the market. These factors include the risk associated with the stage and scale of operations, and the rate of growth. Evans & Evans included an industry risk premium of -3.54% and a company specific risk premium of 450 to 550 basis points to reflect that the Company is riskier than a diversified portfolio of small companies to arrive at a cost of equity in the range of 16.0% to 17.0%.

Having estimated rates of return for both the debt and equity components of the Company's capital structure, the next step is to weight, at market value, each component based on the proportion each represents of total capitalization.

A capital structure of 0% debt and 100% equity, based on the capitalization of the identified guideline public companies and professional judgement, was utilized. Applying these weightings results in a WACC range of 16.0% to 17.0%.

Refer to Exhibit 9.0 - Weighted Average Cost of Capital (WACC) for detailed calculations.

15.1.2 Conclusion

Based on the calculations above, the fair market value of the Company at an enterprise level under the DCF Method was determined to be in the range \$4,779,800 to \$5,381,400.

The reader is advised to refer to Exhibits 6.0 for detailed calculations.

15.2 Guideline Public Company ("GPC") Method

Under the Guideline Public Company Method, valuation multiples are derived from share trading transactions that represent minority interests in publicly traded companies or recent private transactions. As such, the resulting valuation multiples provide an indication of value on a minority interest, publicly traded basis.

The GPC Method involves identifying public companies similar to the subject company with stocks that trade freely in the public markets on a daily basis. The objective of the GPC Method is to derive multiples to apply to the fundamental financial or operational variables of the Company. Since the indication of value is based on minority interest transactions, if one is valuing a controlling interest, it may sometimes be necessary to consider applying a premium for control. A discount for lack of marketability may also be appropriate.

Evans & Evans identified 17 companies as outlined in Exhibit 8.0 – Guideline Public Company Multiples. Companies identified were operating in the tobacco products space.

The reader of the Report should note that although the comparable companies may not be direct competitors to the Company, they do or may offer similar products and/or services to their target markets and embody similar business and financial risk/reward characteristics that a notional investor would consider as being comparable.

Evans & Evans used a multiple of enterprise value ("EV") to current financial year ("CFY") revenue, and a multiple of EV to next financial year ("NFY") revenue as means of deriving the fair market value of enterprise for the Company as at the Valuation Date.

Multiple of CFY Revenue

Given the Company is projecting growth in revenues in FY2023, Evans & Evans utilized the EV / CFY multiple to capture the projected growth of the Company in the short-term. Additionally, the Company is projecting negative earnings for the CFY, therefore, Evans & Evans did not utilize an earning-based multiple.

The identified companies had EV to CFY revenue multiples in the range of 1.55x to 5.43x, with an average and median of 2.78x and 1.90x, respectively. Evans & Evans selected a CFY revenue multiple range of 2.70x to 2.80x based on the average of the range of the multiples of the identified guideline public companies. A discount ranging from 7.0% to 10.0% was applied to the selected multiple to reflect the risk due to the smaller size of the Company as compared to the guideline public companies to arrive at the adjusted EV/ CFY revenue multiple range of 2.51x to 2.52x.

Evans & Evans applied the adjusted multiple range to the Company's CFY revenue of $1,258,446 to calculate the enterprise value of the Company as outlined in Exhibit 7.0.

Multiple of NFY Revenue

Given the Company is projecting growth in revenues in FY2024, Evans & Evans utilized the EV / NFY multiple to capture the projected growth of the Company in the short-term. Since the Company is projecting negative earnings for the NFY therefore, Evans & Evans did not utilize an earning-based multiple.

The identified companies had EV to NFY revenue multiples in the range of 0.77x to 5.12x, with an average and median of 2.62x and 1.78x, respectively. Evans & Evans selected an NFY revenue multiple range of 1.60x to 1.80x based on the median of the range of the multiples of the identified guideline public companies. A discount ranging from 7.0% to 10.0% was applied to the selected multiple to reflect the risk due to the smaller size of the Company as compared to the guideline public companies to arrive at the adjusted EV/ NFY revenue multiple range of 1.49x to 1.62x.

Evans & Evans applied the adjusted multiple range to the Company's NFY revenue of $2,654,105 to calculate the enterprise value of the Company as outlined in Exhibit 7.0.

15.2.1 Conclusion

Evans & Evans considered a weighting of the two indications of enterprise value arrived at in the analysis above. Given the Company's revenues are projected to be significantly higher for FY2024 as compared to FY2023 revenues, Evans & Evans deemed it appropriate to apply a high weighting to NFY revenue multiple in order to capture the growth going forward.

Applying a weighting of 30% and 70% to CFY revenue multiple and NFY revenue multiple, respectively, resulted in an enterprise value range of $3,710,000 to $3,960,000 for the Company.

The reader is advised to refer to Exhibit 7.0 – Market Approach - Guideline Public Company Method.

15.3 Valuation Conclusion

Upon arriving at the fair market value of the Company under the DCF Method and the GPC Method as outlined above, Evans & Evans placed 60% weighting on the DCF Method and 40% weighting on the GPC Method to arrive at the fair market value of the enterprise of the Company in the range of $4,351,880 to $4,812,840. High weighting was applied to the DCF Method in order to capture the growth over the longer term. Thereafter, debt was deducted to arrive at the fair market value of the equity of the Company, on a controlling, marketable basis, in the range of $4,000,000 to $4,460,000. Evans & Evans then applied a discount for lack of marketability ("DLOM") of 10.0% to arrive at the fair market value of the equity of the Company on a controlling, non-marketable basis in the range of $3,600,000 to $4,010,000 as outlined in the below table and in Exhibit 5.0 - Valuation Summary.

(Canadian Dollars)

Methods	Fair Market Value				
	Low	High	Weighting	Value - Low	Value - High
Discounted Cash Flow Method	4,779,800	5,381,400	60%	2,867,880	3,228,840
Guideline Public Company Method	3,710,000	3,960,000	40%	1,484,000	1,584,000
Fair Market Value of Enterprise (rounded) - on a controlling, marketable basis				**4,351,880**	**4,812,840**
Add: Excess Cash / Working Capital				-	-
Add: Redundant Assets				-	-
Less: Debt				355,388	355,388
Fair Market Value of Equity (rounded) - on a controlling, marketable basis				**4,000,000**	**4,460,000**
Discount for Lack of Marketability				10.0%	10.0%
Fair Market Value of Equity (rounded) - on a controlling, non-marketable basis				**3,600,000**	**4,010,000**

16.0 QUALIFICATIONS AND CERTIFICATION

16.1 Qualifications

The Report preparation, and related fieldwork and due diligence investigations, were carried out by Jennifer Lucas and certain qualified staff of Evans & Evans and thereafter reviewed by Michael Evans.

Mr. Michael A. Evans, MBA, CFA, CBV, ASA, Principal, founded Evans & Evans, Inc. in 1989. For the past 37 years, he has been extensively involved in the financial services and management consulting fields in Vancouver, where he was a Vice-President of two firms, The Genesis Group (1986-1989) and Western Venture Development Corporation (1989-1990). Over this period he has been involved in the preparation of over 3,500 technical and assessment reports, business plans, business valuations, and feasibility studies for submission to various Canadian stock exchanges and securities commissions as well as for private purposes.

Mr. Michael A. Evans holds: a Bachelor of Business Administration degree from Simon Fraser University, British Columbia (1981); a Master's degree in Business Administration from the University of Portland, Oregon (1983) where he graduated with honors; the professional designations of Chartered Financial Analyst (CFA), Chartered Business Valuator (CBV) and Accredited Senior Appraiser. Mr. Evans is a member of the CFA Institute, the Canadian Institute of Chartered Business Valuators ("CICBV") and the American Society of Appraisers ("ASA").

Ms. Jennifer Lucas, MBA, CBV, ASA, Managing Partner, joined Evans & Evans in 1997. Ms. Lucas possesses several years of relevant experience as an analyst in the public and private sector in British Columbia and Saskatchewan. Her background includes working for the Office of the Superintendent of Financial Institutions of British Columbia as a Financial Analyst. Ms. Lucas has also gained experience in the Personal Security and Telecommunications industries. Since joining Evans & Evans Ms. Lucas has been involved in writing and reviewing over 2,500 valuation and due diligence reports for public and private transactions.

Ms. Lucas holds: a Bachelor of Commerce degree from the University of Saskatchewan (1993), a Masters in Business Administration degree from the University of British Columbia (1995). Ms. Lucas holds the professional designations of Chartered Business Valuator and Accredited Senior Appraiser. She is a member of the CICBV and the ASA.

16.2 Certification

The analyses, opinions, calculations and conclusions were developed, and this Report has been prepared in accordance with the standards set forth by the Canadian Institute of Chartered Business Valuators and the disclosure provided in the Instrument.

The fee established for the Report has not been contingent upon the value or other opinions presented.

The authors of the Report have no present or prospective interest in Agapi or Cypher, and we have no personal interest with respect to the parties involved.

For the purposes of the Report, Evans & Evans is independent to Agapi and Cypher and all other interested parties in the Transaction.

Yours very truly,

EVANS & EVANS, INC.

17.0 RESTRICTIONS AND CONDITIONS

This Report is intended for the purpose stated in section 1.0 hereof and, in particular, is based on the scope of work and assumptions as to results that could reasonably be expected at the Valuation Date.

The authors of the Report advise the reader to carefully review sections on the Conditions of the Report and the Assumptions of the Report to understand the critical assumptions that the Report is based on. It is not to be the basis of any subsequent valuation and is not to be reproduced or used other than for the purpose of this Report without prior written permission in each specific instance.

Evans & Evans reserves the right to review all information and calculations included or referred to in this Report and, if it considers necessary, to revise its views in the light of any information which becomes known to it during or after the date of this Report. The authors of the Report disclaim any responsibility or liability for losses occasioned to Cypher or the Company, their respective investors, shareholders and all other related and other parties including potential investors as a result of the circulation, publication, reproduction or use of this Report or its use contrary to the provisions of this paragraph.

18.0 EXHIBITS

Cypher Metaverse Inc.
Comprehensive Valuation Report - Agapi Luxury Brands Inc.
Index of Exhibits
Valuation as of March 31, 2023

	Exhibit Number
FINANCIAL STATEMENTS	
Historical Balance Sheets	1.0
Historical Income Statements	2.0
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VALUATION ASSUMPTIONS	
Weighted Average Cost of Capital (WACC)	9.0
Discount for Lack of Marketability ("DLOM") - Benchmark Studies Approach	10.0

(Canadian Dollars)	As at 31-Mar-23	For the fiscal years ended June 30, 2022	2021	Common Size 31-Mar-23	2022	2021	Notes
							(1)
ASSETS							
Current Assets							
Cash	15,972	52,805	-	3.9%	15.5%	0.0%	
Accounts receivable	34,280	-	-	8.4%	0.0%	0.0%	
Inventory	110,669	86,689	-	27.0%	25.4%	0.0%	
Prepaid expenses	248,609	201,541	9,600	60.7%	59.1%	100.0%	
Total Current Assets	409,530	341,035	9,600	100.0%	100.0%	100.0%	
Non-current Assets	-	-	-	0.0%	0.0%	0.0%	
TOTAL ASSETS	**409,530**	**341,035**	**9,600**	**100.0%**	**100.0%**	**100.0%**	
LIABILITIES AND EQUITY							
Current Liabilities							
Account payable and accrued liabilities	260,373	249,902	5,381	63.6%	73.3%	56.1%	
Promissory Note	355,388	-	9,599	86.8%	0.0%	100.0%	
Total Current Liabilities	615,761	249,902	14,980	**150.4%**	**73.3%**	**156.0%**	
Non-current Liabilities							
Convertible debentures	646,265	410,062	-	157.8%	120.2%	0.0%	
TOTAL LIABILITIES	**1,262,026**	**659,964**	**14,980**	**308.2%**	**193.5%**	**156.0%**	
Shareholders' Equity							
Share capital	590,001	330,001	1	144.1%	96.8%	0.0%	
Reserves	371,807	426,141	-	90.8%	125.0%	0.0%	
Accumulated deficit	(1,814,304)	(1,075,071)	(5,381)	-443.0%	-315.2%	-56.1%	
TOTAL EQUITY	(852,496)	(318,929)	(5,380)	**-208.2%**	**-93.5%**	**-56.0%**	
TOTAL LIABILITIES & EQUITY	**409,530**	**341,035**	**9,600**	**100.0%**	**100.0%**	**100.0%**	

Debt-Free Net Working Capital	149,157	91,133	4,219
% Revenue	*18.5%*	*n/a*	*n/a*
Current Ratio	0.7 x	1.4 x	0.6 x
Long Term Debt to Equity Ratio	-0.8 x	-1.3 x	0.0 x
Total Debt to Equity	-1.2 x	-1.3 x	-1.8 x

Notes:
(1) Unaudited financial statements provided by management.

Historical Income Statements
Valuation as of March 31, 2023

(Canadian Dollars)	For Nine months Ended March 31, 2023	For the financial year ended June 30, 2022	For the period from Incorporation on June 11, 2021 to June 30, 2021	Common Size March 31, 2023	Common Size June 30, 2022	Common Size June 30, 2021	Notes
							(1)
Revenue	**605,902**	**-**	**-**	**100.0%**	**n/a**	**n/a**	
Cost of sales	**285,014**	**-**	**-**	47.0%	n/a	n/a	
Gross Profit	**320,888**	**-**	**-**	**53.0%**	**n/a**	**n/a**	
Operating Expense:							
Advertising and promotion	254,539	190,162	-	42.0%	n/a	n/a	
General and administrative	324,824	172,887	-	53.6%	n/a	n/a	
Management and consulting	360,906	245,765	3,528	59.6%	n/a	n/a	
Professional fees	168,620	139,414	1,853	27.8%	n/a	n/a	
Share- based compensation	-	249,013	-	0.0%	n/a	n/a	
Total Expense	**1,108,889**	**997,241**	**5,381**	183.0%	n/a	n/a	
Income (loss) before other expenses	**(788,001)**	**(997,241)**	**(5,381)**	**-130.1%**	**n/a**	**n/a**	
Other expenses							
Inventory write down	-	14,764	-				
Interest and accretion	77,109	47,190	-				
Net loss for the period	(865,110)	(1,059,195)	(5,381)				
Foreign currency translation income (loss)	(14,789)	(10,495)	-	-2.4%	n/a	n/a	
Net and comprehensive loss for the period	**(879,899)**	**(1,069,690)**	**(5,381)**	-145.2%	n/a	n/a	

Notes:

(1) Unaudited financial statements provided by management.

Cypher Metaverse Inc. **Exhibit 3.0**
Comprehensive Valuation Report - Agapi Luxury Brands Inc.
Financial Projections
Valuation as of March 31, 2023

(Canadian Dollars)	3 Months 2023	For the years ending June 30, 2024	2025	2026	2027	2028	Common Size 2023	2024	2025	2026	2027	2028	Notes
Revenue	**652,544**	**2,654,105**	**4,059,900**	**8,119,800**	**10,826,400**	**13,533,000**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	(1)
Growth		307%	53%	100%	33%	25%							
Cost of sales	154,937	980,587	1,488,630	2,841,930	3,789,240	4,736,550	23.7%	36.9%	36.7%	35.0%	35.0%	35.0%	
Fulfillment and shipping	75,043	305,222	446,589	893,178	1,190,904	1,488,630	11.5%	11.5%	11.0%	11.0%	11.0%	11.0%	
Gross Profit	**422,565**	**1,368,296**	**2,124,681**	**4,384,692**	**5,846,256**	**7,307,820**	**53.0%**	**51.6%**	**52.3%**	**54.0%**	**54.0%**	**54.0%**	
Operating Expense:													
Advertising/ Promotion	223,295	358,623	676,650	1,217,970	1,623,960	2,029,950	34.2%	13.5%	16.7%	15.0%	15.0%	15.0%	
Consulting / Commissions	209,463	846,638	676,650	1,217,970	1,623,960	1,759,290	32.1%	31.9%	16.7%	15.0%	15.0%	13.0%	
G&A	155,630	473,655	811,980	1,082,640	1,353,300	1,623,960	23.8%	17.8%	20.0%	13.3%	12.5%	12.0%	
Operating Expense	588,387	1,678,917	2,165,280	3,518,580	4,601,220	5,413,200	90.2%	63.3%	53.3%	43.3%	42.5%	40.0%	
EBITDA	**(165,822)**	**(310,621)**	**(40,599)**	**866,112**	**1,245,036**	**1,894,620**	**-25.4%**	**-11.7%**	**-1.0%**	**10.7%**	**11.5%**	**14.0%**	

Notes:
(1) Financial projections provided by Management.

Tangible Asset Backing - Enterprise Level
Valuation as of March 31, 2023

(Canadian Dollars)	(1) As at 31-Mar-23	Adjustments	Tangible Asset Backing	Notes
ASSETS				
Current Assets				
Cash	15,972	-	15,972	(2)
Accounts receivable	34,280	-	34,280	(3)
Inventory	110,669	-	110,669	(4)
Prepaid expenses	248,609	-	248,609	
Total Current Assets	409,530	-	409,530	
Non-current Assets				
	-	-	-	
TOTAL ASSETS	**409,530**	**-**	**409,530**	
LIABILITIES AND EQUITY				
Current Liabilities				
Account payable and accrued liabilities	260,373	-	260,373	
Promissory Note	355,388	(355,388)	-	(5)
Total Current Liabilities	615,761	(355,388)	260,373	
Non-current Liabilities				
Convertible debentures	646,265	(646,265)	-	(5)
TOTAL LIABILITIES	**1,262,026**	**(1,001,653)**	**260,373**	
Total Assets less Total Liabilities	(852,496)			
Total Tangible Assets Less Operating Liabilities			149,157	
Tangible Asset Backing (rounded)			**149,000**	
Fair Market Value of Enterprise			4,582,360	(6)
Implied Goodwill and Intangible Value			**4,433,360**	

Notes:

(1) Unaudited financial statements provided by Management

(2)	Debt-Free Net Working Capital ("DFNWC") (Excl. Redundant Assets)	149,157
	*Normalised DFNWC	149,456
	Excess (Deficiency) of DFNWC (rounded)	-
	*Refer Exhibit 6.0, Note 2.	

(3) Assumed to be collectible.

(4) Book value is assumed to be equal to the fair market value.

(5) Financing liabilities are not considered.

(6) Adjustment to account for the timing difference between the date of the financial statements and the Valuation Date.

Income (loss) for the nine months ended March 31, 2023	(879,899)
Income (loss) per month	(97,767)
Number of months to adjust	-

(6) See Exhibit 5.0

Valuation Summary
Valuation as of March 31, 2023

(Canadian Dollars)

Methods	Fair Market Value					Notes
	Low	**High**	**Weighting**	**Value - Low**	**Value - High**	
Discounted Cash Flow Method	4,779,800	5,381,400	60%	2,867,880	3,228,840	(1)
Guideline Public Company Method	3,710,000	3,960,000	40%	1,484,000	1,584,000	(2)
Fair Market Value of Enterprise (rounded) - on a controlling, marketable basis				**4,351,880**	**4,812,840**	
Add: Excess Cash / Working Capital				-	-	(3)
Add: Redundant Assets				-	-	(4)
Less: Debt				355,388	355,388	(5)
Fair Market Value of Equity (rounded) - on a controlling, marketable basis				**4,000,000**	**4,460,000**	
Discount for Lack of Marketability				10.0%	10.0%	(6)
Fair Market Value of Equity (rounded) - on a controlling, non-marketable basis				**3,600,000**	**4,010,000**	

Notes:

(1) See Exhibit 6.0.
(2) See Exhibit 7.0.
(3) See Exhibit 4.0 Note 1.
(4) Agapi did not have any redundant assets as at the Valuation Date. Refer to Exhibit 1.0.
(5) Refer to Exhibit 1.0. Management of the Company has noted to Evans & Evans the convertible debt will convert prior to the completion of the Proposed Transaction.

Income Approach - Discounted Cash Flow Method
Valuation as of March 31, 2023

(Canadian Dollars)		3 Months 2023	2024	2025	For the years ending June 30, 2026	2027	2028	2029	Terminal Year	Notes
Revenues		**652,544**	**2,654,105**	**4,059,900**	**8,119,800**	**10,826,400**	**13,533,000**	**14,886,300**	**15,258,458**	(1)
Growth			*110.9%*	*53.0%*	*100.0%*	*33.3%*	*25.0%*	*10.0%*	*2.5%*	
Cost of goods sold		229,979	1,285,809	1,935,219	3,735,108	4,980,144	6,225,180	6,847,698	7,018,890	
Gross profit		422,565	1,368,296	2,124,681	4,384,692	5,846,256	7,307,820	8,038,602	8,239,567	
Gross Profit Margin		*64.8%*	*51.6%*	*52.3%*	*54.0%*	*54.0%*	*54.0%*	*54.0%*	*54.0%*	
Operating expenses		588,387	1,678,917	2,165,280	3,518,580	4,601,220	5,413,200	5,954,520	6,103,383	
Earning Before Interest Tax Depreciation and Amortization ("EBITDA")		**(165,822)**	**(310,621)**	**(40,599)**	**866,112**	**1,245,036**	**1,894,620**	**2,084,082**	**2,136,184**	
EBITDA Margin		-25.4%	-11.7%	-1.0%	10.7%	11.5%	14.0%	14.0%	14.0%	
Depreciation		2,000	2,050	2,101	2,154	2,208	2,263	2,319	2,377	
Operating Income Before Tax (EBIT)		**(167,822)**	**(312,671)**	**(42,700)**	**863,958**	**1,242,828**	**1,892,357**	**2,081,763**	**2,133,807**	
Margin		-25.7%	-11.8%	-1.1%	10.6%	11.5%	14.0%	14.0%	14.0%	
Income tax expense (benefit)	25.3%	-	-	-	-	-	385,493	527,623	540,813	(2)
Net Operating Profit After Tax		**(167,822)**	**(312,671)**	**(42,700)**	**863,958**	**1,242,828**	**1,506,865**	**1,554,140**	**1,592,993**	
Plus: Depreciation & Amortization		2,000	2,050	2,101	2,154	2,208	2,263	2,319	2,377	
Less: Capital Expenditures		2,000	2,050	2,101	2,154	2,208	2,263	2,319	2,377	(3)
Less: Increase / (Decrease) in Working Capital	18.5%	(28,735)	370,289	260,072	751,082	500,721	500,721	250,361	68,849	(4)
Free Cash Flows		(139,087)	(682,959)	(302,772)	112,877	742,107	1,006,144	1,303,779	1,524,144	
Partial Period		0.2	1.0	1.0	1.0	1.0	1.0	1.0		
Mid Period Convention		0.12	0.75	1.75	2.75	3.75	4.75	5.75		(5)
Present Value Factor - Low Case	17.0%	0.98	0.89	0.76	0.65	0.56	0.47	0.41		(6)
Present Value Factor - High Case	16.0%	0.98	0.89	0.77	0.66	0.57	0.49	0.43		
Present Value of Free Cash Flow - Low Case		**(136,392)**	**(607,159)**	**(230,058)**	**73,306**	**411,923**	**477,336**	**528,667**		
Present Value of Free Cash Flow - High Case		**(136,538)**	**(611,076)**	**(233,539)**	**75,057**	**425,396**	**497,197**	**555,411**		

Total Discounted Cash Flows - Low Case	**4,779,846**
Total Discounted Cash Flows - High Case	**5,381,443**
Less: : DFNWC Deficiency (8)	-
Fair Market Value of Enterprise - Low Case (rounded)	**4,779,800**
Fair Market Value of Enterprise - High Case (rounded)	**5,381,400**

	Low Case	High Case	
Terminal Year Cash Flow	1,524,144	1,524,144	
Discount Rate	17.0%	16.0%	(7)
Long-Term Growth Rate	2.5%	2.5%	
Capitalization Rate	14.5%	13.5%	
Terminal Year Value	10,511,340	11,289,957	
PV Factor - Low Case	0.41	0.43	
PV of Terminal Year Value	**4,262,222**	**4,809,534**	

Notes:

(1) Management provided financial projections for the years ending June 30, 2023 to 2028. Beyond 2028, Evans & Evans extended the forecast to the terminal period to allow for gradual decline in revenue growth rate to the long term growth rate of 2.5%.

(2) Income Tax Calculation

		2024	2025	2026	2027	2028	2029	2030	Terminal Year
EBIT		(167,822)	(312,671)	(42,700)	863,958	1,242,828	1,892,357	2,081,763	2,133,807
Opening NOL		(1,954,970)	(2,122,792)	(2,435,463)	(2,478,163)	(1,614,205)	(371,377)	-	-
NOLs for the period		(167,822)	(312,671)	(42,700)	-	-	-	-	-
NOLs setoff against EBIT		-	-	-	863,958	1,242,828	371,377	-	-
Ending NOLs		(2,122,792)	(2,435,463)	(2,478,163)	(1,614,205)	(371,377)	-	-	-
Adjusted EBIT		(167,822)	(312,671)	(42,700)	-	-	1,520,981	2,081,763	2,133,807
U.S. Federal and Florida state corporate tax rate.	25.3%	-	-	-	-	-	385,493	527,623	540,813

(3) Estimated Capital Expenditure

	2023	2024	2025	2026	2027	2028	2029	Terminal Year
Capital Expenditutres	2,000	2,050	2,101	2,154	2,208	2,263	2,319	2,377

(4) Working capital as a percentage of revenues is 18.5% based on the Company's historical levels as well as average of guideline companies actual Debt-Free Net Working Capital (DFNWC).

	2023	2024	2025	2026	2027	2028	2029	2030	Terminal Year
Revenues (anualized)	807,869	652,544	2,654,105	4,059,900	8,119,800	10,826,400	13,533,000	14,886,300	15,258,458
Normalised Debt-Free Net Working Capital	149,456	120,721	491,009	751,082	1,502,163	2,002,884	2,503,605	2,753,966	2,822,815
% of revenue	18.5%	18.5%	18.5%	18.5%	18.5%	18.5%	18.5%	18.5%	18.5%
Incremental Working Capital Investment		(28,735)	370,289	260,072	751,082	500,721	500,721	250,361	68,849

(5) The discount rate was applied using the mid-year convention. Mid-year convention assumes that cash flows are generated evenly throughout the year, as opposed to in a lump sum at the end of the year. The formula for calculating the discount factors is: 1 / (1 + WACC) ^ y, where y is the period of time (in years) from the Valuation Date to the midpoint of each year in the projections.

(6) Weighted Average Cost of Capital - See Exhibit 9.0

(7) Based on the long term growth rate of GDP in U.S.

(8) Refer Exhibit 4.0, Note 2.

Guideline Public Company ("GPC") Method

Valuation as of March 31, 2023

(Canadian Dollars)	Financial Metric (1)	Selected Multiple (3)		Discounted Selected Multiple (3)		Indicated Enterprise Value		
		Low	High	Low	High	Low	High	
Year Ending June 2023 ("CFY")								Weighting
Revenue	1,258,446	2.70 x	2.80 x	2.51 x	2.52 x	3,159,958	3,171,284	30%
Year Ending June 2024 ("NFY")								
Revenue	2,654,105	1.60 x	1.80 x	1.49 x	1.62 x	3,949,308	4,299,650	70%
Estimated Weighted Enterprise Value Range						**3,712,503**	**3,961,140**	100%
Less: DFNWC Deficiency (4)						-	-	
Fair Market Value of Enterprise (rounded) (5)						**3,710,000**	**3,960,000**	

Note:

(1) Refer to Exhibit 2.0

(2) Evans & Evans selected the multiples with reference to the multiples of the guideline public companies as outlined in Exhibit 8.0.
While selecting the multiples, Evans & Evans considered the risk, growth and profitability margins of the Company as compared to those of the guideline public companies.

(3) Support for the discount applied to the selected multiples:

	Low	High
Size	7.0%	10.0%
	7.0%	10.0%

(4) See Exhibit 4.0 Note 2.

(5) Evans & Evans did not consider a control premium as the literature is mixed as to whether there actually is a control premium paid in M&A transactions. The ‘control premiums’ paid in M&A transactions are generally buyer specific and, therefore, may not be reliably estimated as they can vary significantly.

(Canadian Dollars, Millions)

Identified Guideline Public Companies (1)

Company Name	Exchange: Ticker	Market Cap.	Enterprise Value	TTM Revenue	CFY Revenue	NFY Revenue	EV/ TTM Revenue	EV/CFY Revenue	EV/NFY Revenue
Altria Group, Inc.	NYSE:MO	107,797	138,510	28,000	28,447	28,880	4.95 x	4.87 x	4.80 x
British American Tobacco p.l.c.	LSE:BATS	106,308	171,509	45,098	47,813	49,661	3.80 x	3.59 x	3.45 x
Imperial Brands PLC	LSE:IMB	28,561	43,326	25,865	15,740	16,017	1.68 x	2.75 x	2.71 x
Karelia Tobacco Company Inc.	ATSE:KARE	1,274	471	342	n/a	n/a	1.38 x	n/a	n/a
Scandinavian Tobacco Group A/S	CPSE:STG	2,321	2,929	1,704	1,780	1,790	1.72 x	1.65 x	1.64 x
Turning Point Brands, Inc.	NYSE:TPB	499	908	562	565	587	1.62 x	1.61 x	1.55 x
22nd Century Group, Inc.	NasdaqCM:XXII	224	201	84	130	262	2.39 x	1.55 x	0.77 x
Bulgartabac Holding AD	BUL:BTH	44	162	108	n/a	n/a	1.50 x	n/a	n/a
Charlie's Holdings, Inc.	OTCPK:CHUC	30	32	39	n/a	n/a	0.81 x	n/a	n/a
Healthier Choices Management Corp.	OTCPK:HCMC	47	41	40	n/a	n/a	1.05 x	n/a	n/a
Hempacco Co., Inc.	NasdaqCM:HPCO	19	14	5	n/a	n/a	2.78 x	n/a	n/a
Philip Morris CR a.s.	SEP:TABAK	3,031	2,495	1,254	1,460	1,416	1.99 x	1.71 x	1.76 x
Philip Morris International Inc.	NYSE:PM	204,232	261,745	42,987	48,237	51,141	6.09 x	5.43 x	5.12 x
Philip Morris Operations a.d. Nis	BELEX:DINN	612	510	356	n/a	n/a	1.43 x	n/a	n/a
The West Indian Tobacco Company Limited	TTSE:WCO	845	805	160	n/a	n/a	5.02 x	n/a	n/a
Vector Group Ltd.	NYSE:VGR	2,538	3,987	1,245	2,098	2,236	3.20 x	1.90 x	1.78 x
VPR Brands, LP	OTCPK:VPRB	17	21	7	n/a	n/a	3.14 x	n/a	n/a
						Min	0.81 x	1.55 x	0.77 x
						Average	2.62 x	2.78 x	2.62 x
						Median	1.99 x	1.90 x	1.78 x
						Max	6.09 x	5.43 x	5.12 x
						Coefficient of Variance	0.59	0.54	0.58

Notes:
(1) Source: Capital IQ.

Weighted Average Cost of Capital (WACC)

Valuation as of March 31, 2023

Build-Up Method		Assumptions as of the Valuation Date		Notes
Cost of Debt				
Moody's Seasoned Baa Corporate Bond Yield		5.59%		
Premium		6.00%		
Cost of Debt		11.59%		(1)
Cost of Equity				
		Low	High	
Long-term government bond yields		3.81%	3.81%	(2)
Adjusted large cap equity risk premium		6.35%	6.35%	(3)
Small cap equity risk premium		4.83%	4.83%	(4)
Industry specific risk premium		-3.54%	-3.54%	(5)
Company specific risk and growth premium		4.50%	5.50%	(6)
Required equity return to induce investment		16.0%	17.0%	
Capital Structure:				(7)
	Debt	0.0%		
	Equity	100.0%		
Tax Rate		25.3%		(8)
Weighted Average Cost of Capital:				
Cost of Debt (1-tax rate) (Debt /Total Capital) + Cost of Equity (Equity/Total Capital)				
		Low	High	
Weighted Average Cost of Capital		16.0%	17.0%	
Selected Weighted Average Cost of Capital		**16.0%**	**17.0%**	

Notes:

(1) Evans & Evans estimated the cost of debt for the Company by applying a premium of 6.0% over the Moody's Seasoned Baa Corporate Bond Yield as at the Valuation Date.

(2) 20-year U.S. Government bond yield as of the Valuation Date.

(3) Long Horizon expected ERP (supply side). Source: Duff & Phelps Cost of Capital Navigator.

(4) 10th decile Small Stock Premium. Source: Duff & Phelps Cost of Capital Navigator.

(5) Industry specific risk premium is based on the average five year beta of the guideline public companies of 0.44 (Source: Capital IQ) and the equity risk premium of 6.35%, ((0.80-1)*6.35% = -3.54%).

(6) Company specific risk relates to projection risks faced by the company related to revenue growth and margin expansion.

(7) Evans & Evans selected a debt to capital ratio with reference to the debt to capital ratios of the guideline public companies.

(8) Based on combined U.S federal and Florida state corporate tax rates.

We considered the following restricted stock studies because the effect of lack of marketability can be quantified by comparing the sale price of publicly traded shares to the sale price of so-called restricted shares of the same company that are identical in all rights and powers except for their ability to be freely marketed. Restricted stock studies are published, empirical studies, the most often cited of which are indicated below:

	Empirical study	Time period covered	Mean DLOM
(a)	SEC overall average	Jan 1966 - Jan 1969	25.80%
(a)	SEC non-reporting OTC companies	Jan 1966 - Jan 1969	32.60%
(b)	Gelman	Jan 1968 - Dec 1970	33.00%
(c)	Trout	Jan 1968 - Dec 1972	33.50%
(d)	Moroney	Jan 1969 - Dec 1972	35.60%
(e)	Maher	Jan 1969 - Dec 1973	35.40%
(f)	Standard Research Consultants	Oct 1978 - Jun 1982	45.0% (median)
(g)	Willamette Management Associates	1981 - 1984	31.2% (median)
(h)	Silber	Jan 1981 - Dec 1988	33.80%
(i)	FMV Opinions, Inc.	Jan 1979 - Apr 1992	23.00%
(j)	Management Planning, Inc.	Jan 1980 - Dec 1996	27.10%
(k)	Bruce Johnson Study	Jan 1991 - Dec 1995	20.00%
(l)	Columbia Financial Advisors	Jan 1996 - Apr 1997	21.00%
(l)	Columbia Financial Advisors	May 1997 - Dec 1998	13.00%

Notes:

(a) Discounts Involved in Purchases of Common Stock (1966-1969), Institutional Investor Study Report of the Securities and Exchange Commission, H.R. Do. No. 92-64, Part 5, 92nd Congress, 1st Session, 1971, 2444- 2456.
(b) Gelman, Milton, An Economist Financial Analyst's Approach to Valuing Stock of a Closely Held Company, Journal of Taxation, June 1972, 353-354.
(c) Trout, Robert R., Estimation of the Discount Associated with the Transfer of Restricted Securities, Taxes, June 1997, 381-384.
(d) Moroney, Robert E., Most Courts Overvalue Closely Held Stocks, Taxes, March 1993, 144-154.
(e) Maher, Michael J., Discounts for Lack-of-marketability for Closely Held Business Interests, Taxes, September 1976, 562-71.
(f) Pittock, William F., and Stryker, Charles H., Revenue Ruling 77-287 Revisited, SRC Quarterly Reports, Spring 1983.
(g) Willamette Management Associates study (unpublished).
(h) Silber, William L., Discounts on Restricted Stock: The Impact of Illiquidity on Stock Prices, Financial Analysts Journal, July-August 1991, 60-64.
(i) Hall, Lance S., and Timothy C . Polacek, "Strategies for Obtaining the Largest Valuation Discounts," Estate Planning, January/February 1994. pp. 38-44.
(j) Oliver, Robert P. and Roy H Meyers, "Discounts Seen in Private Placements of Restricted Stock: The Management Planning, Inc., Long-Term Study (1980-1996)" (Chapter 5) in Robert F, Reilly and Robert P. Schweihs, eds, The Handbook of Advanced Business Valuations (New York: McGraw-Hill, 2000).
(k) Johnson, Bruce, "Restricted Stock Discounts, 1991-95", Shannon Pratt's Business Valuation Update, Vol. 5, No. 3, March 1999, pp. 1-3. "Quantitative Support for Discounts for Lack of Marketability." Business Valuation Review, December, 1999, pp. 152- 155.
(l) CFAI Study, Aschwald, Kathryn F., "Restricted Stock Discounts Decline as Result of 1-Year Holding Period – Studies After 1990 'No Longer Relevant' for Lack of Marketability Discounts", SHANNON PRATT'S BUSINESS VALUATION UPDATE, Vol. 6, No. 5, May 2000, pp. 1-5.