

FORM 5

QUARTERLY LISTING STATEMENT

Name of Listed Issuer: BYND Cannasoft Enterprises Inc.
(the "Issuer").

Trading Symbol: BYND

This Quarterly Listing Statement must be posted on or before the day on which the Issuer's unaudited interim financial statements are to be filed under the *Securities Act*, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer's first, second and third fiscal quarters. This statement is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

General Instructions

- (a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Listed Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

**Refer to the attached Condensed Interim Consolidated
Financial Statements for the period ended June 30, 2022.**

SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

1. Related party transactions

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

- (a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.
- (b) A description of the transaction(s), including those for which no amount has been recorded.
- (c) The recorded amount of the transactions classified by financial statement category.
- (d) The amounts due to or from Related Persons and the terms and conditions relating thereto.
- (e) Contractual obligations with Related Persons, separate from other contractual obligations.
- (f) Contingencies involving Related Persons, separate from other contingencies.

**Refer to the attached Condensed Interim Consolidated
Financial Statements for
the period ended June 30, 2022 – Notes 4, 8 and 9**

2. Summary of securities issued and options granted during the period.

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

- (a) summary of securities issued during the period,

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid
January 13, 2022	Common shares	Private placement	40,983	\$3.00	\$122,950	Cash	Not related person	None
May 3, 2022	Common shares	Exercise of stock options	150,000	\$0.82	\$123,000	Cash	C.F.O	None

(b) summary of options granted during the period,

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant
June 14, 2022	10,000	Niv Shirazi, Director		\$6.20	June 14, 2027	\$6.20

3. Summary of securities as at the end of the reporting period.

Provide the following information in tabular format as at the end of the reporting period:

- (a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,

Unlimited number of common shares without par value.

(b) number and recorded value for shares issued and outstanding,
Refer to the attached Condensed Interim Consolidated Financial Statements for the period ended June 30, 2022 – Note 13

- (c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and
Refer to the attached Condensed Interim Consolidated Financial Statements for the period ended June 30, 2022 – Note 13
- (d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

18,015,883 common shares subject to escrow

4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

Yftah Ben Yaackov, Chief Executive Officer
Marcel (Moti) Maram, President
Avner Tal, Chief Technology Officer
Gabi Kabazo, Chief Financial Officer
Harold Wolkin, Director
Stefania Szabo, Director
Niv Shirazi, Director

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

Provide Interim MD&A if required by applicable securities legislation.

Refer to the attached MD&A for the period ended June 30, 2022.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated August 12, 2022.

Gabi
Kabazo

Name of Director or Senior
Officer

Signed (Gabi
Kabazo)

Signature

Chief Financial
Officer

Official Capacity

<i>Issuer Details</i> Name of Issuer <u>BYND Cannasoft Enterprises Inc.</u>	For Quarter Ended June 30, 2022	Date of Report YY/MM/D 22/08/12
Issuer Address 2264 E11th Avenue		
City/Province/Postal Code Vancouver, BC, V5N 1Z6	Issuer Fax No. ()	Issuer Telephone No. (604) 833 6820
Contact Name Gabi Kabazo	Contact Position CFO	Contact Telephone No. (604) 833 6820
Contact Email Address gabi@cannasoft-crm.com	Web Site Address www.cannasoft-crm.com	

BYND CANNASOFT ENTERPRISES INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR SIX MONTHS ENDED JUNE 30, 2022

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the condensed consolidated interim financial statements have not been reviewed by an auditor.

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

The Company's independent auditors have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of these condensed consolidated interim financial statements. Readers are cautioned that these statements may not be appropriate for their intended purposes.

August 12, 2022

BYND CANNASOFT ENTERPRISES INC.
Consolidated Interim Statements of the Financial Position
(Expressed in Canadian dollars)
(Unaudited)

As at	Notes	June 30, 2022	December 31, 2021
Assets			
Cash		\$ 4,032,499	\$ 3,025,350
Funds held in escrow			2,484,634
Amounts receivables	4	158,081	198,628
Prepaid expenses		192,631	40,240
Total Current Assets		4,383,211	5,747,052
Intangible assets	3,6	1,810,208	1,300,429
Property and equipment	7	1,058,308	443,241
Total Assets		<u>\$ 7,251,727</u>	<u>\$ 7,490,722</u>
Liabilities and Shareholders' Equity			
Liabilities			
Trade payables and accrued liabilities	8	\$ 322,204	\$ 180,598
Deferred revenue	14	27,460	30,046
Long term loan – current portion	11	45,080	49,207
Total Current Liabilities		394,744	259,851
Long term loan	11	106,744	143,444
Liabilities for employee benefits	12	79,233	87,058
Total Liabilities		<u>\$ 580,721</u>	<u>\$ 490,353</u>
Shareholders' equity			
Share capital	13	\$ 11,089,421	\$ 10,843,471
Share purchase warrants reserve		639,879	639,879
Shares to be issued	16	41,875	81,967
Share-based payment reserve	13	675,709	550,517
Translation differences reserve		2,595	27,455
Capital reserve for re-measurement of defined benefit plan	12	12,560	9,444
Deficit		(5,791,033)	(5,152,364)
Total shareholders' equity		<u>\$ 6,671,006</u>	<u>\$ 7,000,369</u>
Total Liabilities and Shareholders' Equity		<u>\$ 7,251,727</u>	<u>\$ 7,490,722</u>

Nature of operations and going concern (Note 1)
Subsequent events (Notes 16)

These condensed consolidated interim financial statements were approved for issue by the Board of Directors on August 12, 2022 and signed on its behalf by:

"Yftah Ben Yaackov"
Director

"Gabi Kabazo"
Director

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

BYND CANNASOFT ENTERPRISES INC.
Consolidated Interim Statements of Income (Loss) and Comprehensive Income
(Loss)
(Expressed in Canadian dollars)

For the	Notes	Three months ended June 30		Six months ended June 30	
		2022	2021 (Restated)	2022	2021 (Restated)
Revenue	14	\$ 207,653	\$ 418,635	\$ 662,932	\$ 662,728
Cost of revenue	7,15	(169,996)	(166,064)	(270,164)	(341,678)
Gross profit		37,657	252,571	392,768	321,050
Consulting and marketing		1,405	273	6,188	8,759
Depreciation	5, 6, 7	8,745	27,696	17,838	40,320
General and admin expenses		345,395	78,282	509,883	149,298
Share-based compensation	13	39,670	198,528	125,192	198,528
Professional fees		91,861	72,669	243,155	107,065
		487,166	377,448	902,256	503,970
Loss before other income (loss)		\$ (449,509)	\$ (124,877)	\$ (509,488)	\$ (182,920)
Other income (loss):					
Foreign exchange loss		(5,505)	-	(115,330)	-
Finance income (expenses), net		(3,793)	17,158	(6,763)	14,101
Covid-19 grant		-	7,872	-	19,618
Listing expense		-	-	-	(4,394,390)
		(9,298)	25,030	(122,093)	(4,360,671)
Loss before tax		\$ (458,807)	\$ (99,847)	\$ (631,581)	\$ (4,543,591)
Tax expense		(14,579)	-	(7,088)	-
Loss for the period		\$ (473,386)	\$ (99,847)	\$ (638,669)	\$ (4,543,591)
Other comprehensive income (loss)					
<i>Items that may be reclassified to profit or loss</i>					
Remeasurement of a defined benefit plan, net		1,528	2,150	3,116	4,357
Exchange differences on translation of foreign operations		\$ (17,367)	\$ (4,847)	\$ (24,860)	\$ 10,022
Other comprehensive income (loss) for the period		\$ (15,839)	\$ (2,697)	\$ (21,744)	\$ 14,379
Total comprehensive loss		\$ (489,225)	\$ (102,544)	\$ (660,413)	\$ (4,529,212)
Loss per share – basic and diluted		\$ (0.02)	\$ (0.01)	\$ (0.02)	\$ (0.27)
Weighted average shares outstanding – basic and diluted		29,564,733	16,545,574	29,564,733	16,545,574

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

BYND CANNASOFT ENTERPRISES INC.
Consolidated Interim Statements of Changes in Shareholders' Equity

(Expressed in Canadian dollars)

(Unaudited)

	Number of shares*	Share capital	Shares to be issued	Share purchase warrants reserve	Translation differences reserve (Restated)	Share-based payment reserve (Restated)	Capital reserve for re- measurement of defined benefit plan	Retained earnings (Deficiency) (Restated)	Total (Restated)
		\$	\$	\$	\$	\$	\$	\$	\$
Balance, January 1, 2021	8,184,388	289	-	-	12,982	-	3,221	(273,626)	(257,134)
Shares issued for acquisition of B.Y.B.Y.									
Investment and Promotions Ltd. ("B.Y.B.Y.") (note 3)	9,831,495	840,941	-	-	-	-	-	-	840,941
Shares issued upon reverse takeover (note 3)	6,269,117	5,140,676	-	-	-	-	-	-	5,140,676
Shares issued in private placement	435,337	522,410	-	-	-	-	-	-	522,410
Proceeds for shares to be issued	-	-	1,840,000	-	-	-	-	-	1,840,000
Share-based payments	-	-	-	-	-	198,528	-	-	198,528
Loss for the period	-	-	-	-	-	-	-	(4,543,591)	(4,543,591)
Other comprehensive loss for the period	-	-	-	-	10,022	-	4,357	-	14,379
Balance at June 30, 2021	24,720,337	6,504,316	1,840,000	-	23,004	198,528	7,578	(4,817,217)	3,756,209

	29,479,10			639,879					
Balance, January 1, 2022	0	10,843,471	81,967		27,455	550,517	9,444	(5,152,364)	7,000,369
Proceeds for shares issued from exercise of stock options	150,000	123,000	-	-	-	-	-	-	123,000
shares to be issued for services	-	-	41,875	-	-	-	-	-	41,875
Proceeds for shares issued	40,983	122,950	(81,967)						40,983
Share-based payments	-	-	-	-	-	125,192	-	-	125,192
Loss for the period	-	-	-	-	-	-	-	(638,669)	(638,669)
Other comprehensive loss for the period	-	-	-	-	(24,860)	-	3,116	-	(21,744)
Balance at June 30, 2022	29,670,083	11,089,421	41,875	639,879	2,595	675,709	12,560	(5,791,033)	6,671,006

*The number of shares outstanding before the RTO have been restated to reflect the effect of issuing 10,230.48 RTO shares for each share outstanding.

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

BYND CANNASOFT ENTERPRISES INC.
Consolidated Interim Statements of Cash Flows
For the six months ended June 30, 2022 and 2021
(Expressed in Canadian dollars)
(Unaudited)

As at	June 30, 2022	June 30, 2021 (Restated)
Operating activities:		
Loss for the period	\$ (638,669)	\$ (4,543,591)
Non-working capital adjustments:		
Finance expense	2,676	102
Accretion on convertible debt	-	-
Change in fair value of derivative liability	-	-
Depreciation	17,838	45,160
Gain from Promissory note	-	(155,548)
Listing expense	-	4,394,390
Share-based compensation	167,067	198,528
Loss from marketable securities	-	-
Unrealized foreign exchange (gain) loss	101,095	24,018
Working capital adjustments:		
Change in amount receivables	38,747	(197,937)
Change in trade payables and accrued liabilities	141,606	(116,544)
Change in prepaid expenses	(152,391)	(100,391)
Change in deferred income	(2,586)	(44,438)
Change in benefits to employees	(4,709)	1,503
Net cash used in operating activities	(329,326)	(494,748)
Investing activities:		
Purchase of property and equipment	(656,659)	(107,295)
Investment in intangible assets	(509,779)	(216,708)
Disposal of property and equipment	1,500	-
Net cash used in investing activities	(1,164,938)	(324,003)
Financing activities:		
Proceeds from shares to be issued	-	1,840,000
Proceeds from private placement	40,983	522,410
Proceeds from exercise of stock options	123,000	-
Repayment of long term loan	(23,174)	-
Cash acquired from acquisition of BYND	-	494,144
Repayment of lease obligation	-	(9,483)
Net cash provided by financing activities	140,809	2,847,071
Net Increase (decrease) in cash	\$ (1,353,455)	\$ 2,028,320
Effect of foreign exchange rate changes	(124,030)	(23,971)
Cash at beginning of period	5,509,984	563,015
Cash at end of period	\$ 4,032,499	\$ 2,567,364
Supplemental non-cash information		
Shares issued for intangible asset in B.Y.B.Y acquisition	\$ -	\$ 850,000

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

BYND CANNASOFT ENTERPRISES INC.
Notes to the Condensed Consolidated Interim Financial Statements
For the six months ended June 30, 2022
(Expressed in Canadian dollars)
(Unaudited)

NOTE 1 – NATURE OF OPERATIONS AND GOING CONCERN

BYND Cannasoft Enterprises Inc. (the "Company" or "BYND Cannasoft") is a Canadian company which was amalgamated under the Business Corporations Act (British Columbia) on March 29, 2021. The Company's registered address is 2264 East 11th Avenue, Vancouver, Canada.

The Company is a software house which develops enterprise software tools that enable manufacturing and service companies to optimize their workforce management, customer service, and asset management.

On March 29, 2021, the Company completed the business combination transactions with BYND – Beyond Solutions Ltd. ("BYND") (note 3). As a result of the business combination transactions, BYND became a wholly owned subsidiary of the Company. This transaction is accounted for as a reverse asset acquisition of the Company by BYND ("RTO") (note 3).

Covid-19

On January 30, 2020, the World Health Organization declared the outbreak of the coronavirus disease (Covid-19) a "Public Health Emergency of International Concern." On March 11, 2020, the World Health Organization characterized the outbreak as a "pandemic". The significant outbreak of Covid-19 has resulted in a widespread health crisis that is adversely affecting the economies and financial markets worldwide, including the businesses which we operate. Furthermore, restrictions on travel and the limited ability to have meetings with personnel, vendors and services providers are expected to have an adverse effect on the Company's businesses. The extent to which Covid-19 impacts the Company's businesses will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of Covid-19 and the actions to contain Covid-19 or treat its impact, among others. If the disruptions posed by Covid-19 or other matters of global concern continue for an extensive period of time, the Company's operations may be materially adversely affected.

The Covid-19 pandemic, including the recent Omicron variant, has also caused, and is likely to continue to cause, severe economic, market and other disruptions worldwide. We cannot predict whether conditions in the global financial markets will continue to deteriorate as a result of the pandemic, or that access to capital and other sources of funding will not become constrained, which could adversely affect the availability and terms of any future financings the Company may wish to undertake.

These condensed interim consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities in the normal course of business. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported revenues and expenses, and the statement of financial position classifications used, that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

BYND CANNASOFT ENTERPRISES INC.
Notes to the Condensed Consolidated Interim Financial Statements
For the six months ended June 30, 2022
(Expressed in Canadian dollars)
(Unaudited)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND USE OF ESTIMATES AND JUDGMENTS (Restated)

a. Basis of presentation and statement of compliance

These condensed interim 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 International Financial Reporting Issues Committee (“IFRIC”) applicable to the preparation of interim financial statements, including International Accounting Standard (“IAS”) 34 Interim Financial Reporting.

The notes presented in these condensed consolidated interim financial statements include only significant events and transactions occurring since the Company’s last fiscal year end and they do not include all of the information required in the Company’s most recent annual consolidated financial statements. Except as noted below, these condensed consolidated interim financial statements follow the same accounting policies and methods of application as the Company’s annual financial statements and should be read in conjunction with the Company’s annual financial statements for the year ended December 31, 2021, which were prepared in accordance with IFRS as issued by IASB. There have been no significant changes in judgement or estimates from those disclosed in the consolidated financial statements for the year ended December 31, 2021.

b. Basis of Consolidation

The condensed consolidated interim financial statements incorporate the financial statements of the Company and of its wholly owned subsidiaries, BYND and B.Y.B.Y. B.Y.B.Y is owned directly through BYND and 24% of the shares of B.Y.B.Y. is held by a related party in trust for the Company.

A subsidiary is an entity over which the Company has control, directly or indirectly, where control is defined as the power to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. A subsidiary is consolidated from the date upon which control is acquired by the Company and all intercompany transactions and balances have been eliminated on consolidation.

c. Basis of Measurement

The condensed consolidated interim financial statements were prepared based on the historical costs, except for financial instruments classified as fair value through profit and loss (“FVTPL”) and assets or liabilities for employee benefits, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

d. Currency of Operation and Currency of Presentation

The condensed consolidated interim financial statements are presented in Canadian dollars. The functional currency of the Company is Canadian dollars, and the functional currency of its subsidiaries is the New Israeli Shekel (“NIS”). NIS represents the main economic environment in which the subsidiaries operate.

BYND CANNASOFT ENTERPRISES INC.
Notes to the Condensed Consolidated Interim Financial Statements
For the six months ended June 30, 2022
(Expressed in Canadian dollars)
(Unaudited)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND USE OF ESTIMATES AND JUDGMENTS (Restated) (continued)

e. Significant estimates and assumptions

The preparation of these condensed consolidated interim financial statements in accordance with IFRS requires the Company to use judgment in applying its accounting policies and make estimates and assumptions about reported amounts at the date of the financial statements and in the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Income taxes

Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these income tax provisions at the end of each reporting period. However, it is possible that at some future date an additional liability could result from audits by tax authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made. Deferred tax assets are recognized when it is determined that the company is likely to recognize their recovery from the generation of taxable income.

Useful lives of property and equipment

Estimates of the useful lives of property and equipment are based on the period over which the assets are expected to be available for use. The estimated useful lives are reviewed annually and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence, and legal or other limits on the use of the relevant assets. In addition, the estimation of the useful lives of the relevant assets may be based on internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in the factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the equipment would increase the recorded expenses and decrease the non-current assets.

Convertible debentures

The identification of convertible note 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.

BYND CANNASOFT ENTERPRISES INC.
Notes to the Condensed Consolidated Interim Financial Statements
For the six months ended June 30, 2022
(Expressed in Canadian dollars)
(Unaudited)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND USE OF ESTIMATES AND JUDGMENT (Restated) (continued)

e. Significant estimates and assumptions (continued)

Other Significant Judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty;
- the classification of financial instruments;
- the assessment of revenue recognition using the five-step approach under IFRS 15 and the collectability of amounts receivable; and
- the determination of the functional currency of the company.

f. Restatement of previously reported financial statements

The Company has identified certain errors related to the recognition of depreciation expense related to its property and equipment and the recognition of share-based payments for the six months ended June 30, 2021 as well as certain errors in its classification of cost of revenue, depreciation and general and administrative expenses for the six months ended June 30, 2021, which resulted in material misstatements in accounts as summarized in the following table. The following table also includes the effect of the adjustment from correction of such errors on the Company's statement of financial position and statement of income (loss) and comprehensive income (loss):

	Previously reported	Adjustments	Restated
<i>Statement of Financial Position</i>			
As at June 30, 2021			
Property and equipment	\$ 190,672	\$ (5,851)	\$ 184,821
Total Assets	4,352,901	(5,851)	4,347,050
Share-based payment reserve	96,018	102,510	198,528
Translation difference reserve	8,719	14,285	23,004
Deficit	(4,694,571)	(122,646)	(4,817,217)
Total shareholders' equity	3,762,060	(5,851)	3,756,209

BYND CANNASOFT ENTERPRISES INC.
Notes to the Condensed Consolidated Interim Financial Statements
For the six months ended June 30, 2022
(Expressed in Canadian dollars)
(Unaudited)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND USE OF ESTIMATES AND JUDGMENT (Restated) (continued)

f. Restatement of previously reported financial statements (continued)

Statement of Income (Loss) and Comprehensive Income (Loss)

For the three months ended June 30, 2021

Cost of revenue	\$	158,468	\$	7,596	\$	166,064
Depreciation		32,384		(4,688)		27,696
General and administrative expenses		85,096		(6,814)		78,282
Share-based payment		96,018		102,510		198,528
Loss for the period		(1,243)		(98,604)		(99,847)
Exchange differences on translation of foreign operations		(4,809)		(38)		(4,847)
Total comprehensive loss		(3,902)		(98,642)		(102,544)

For the six months ended June 30, 2021

Cost of revenue	\$	323,620	\$	18,058	\$	341,678
Depreciation		39,309		1,011		40,320
General and administrative expenses		162,516		(13,218)		149,298
Share-based payment		96,018		102,510		198,528
Loss for the period		(4,435,230)		(108,361)		(4,543,591)
Total comprehensive loss		(4,420,851)		(108,361)		(4,529,212)

BYND CANNASOFT ENTERPRISES INC.
Notes to the Condensed Consolidated Interim Financial Statements
For the six months ended June 30, 2022
(Expressed in Canadian dollars)
(Unaudited)

NOTE 3 – ACQUISITIONS

Acquisition of B.Y.B.Y.

On October 1, 2020, BYND and the former shareholders of B.Y.B.Y. entered into a share exchange agreement, whereby Beyond would acquire 74% ownership interest in B.Y.B.Y. from the former shareholders in exchange for 54.58% ownership interest in BYND. One of the former shareholders would hold the remaining 26% ownership interest in B.Y.B.Y. in trust for BYND, for the purpose to comply with Israeli Cannabis Laws regarding the ownership of medical cannabis license rights. The share exchange agreement was executed and held in escrow, and the share exchange was fully completed on March 29, 2021.

The acquisition of B.Y.B.Y. has been accounted for as asset acquisition as the acquired assets do not constitute a business according to IFRS 3 *Business Combinations*. The acquisition was recorded with the consideration as detailed in the table below:

Consideration transferred:	\$
Fair value of shares issued (9,831,495 shares at \$0.0855 per share)	840,941
Fair value of net assets acquired:	
Amount receivable	3,759
Intangible asset	850,000
Trade payable and other current liabilities	(12,818)
Total net assets acquired	840,941

The intangible assets acquired in the acquisition of B.Y.B.Y. attribute to the primary growing license for medical cannabis in Israel held by B.Y.B.Y. The amortization of the intangible assets for the period since the completion date of acquisition is \$21,250.

Reverse Takeover of BYND Cannasoft

On December 16, 2019, BYND entered into a Business Combination Agreement (“BCA”) with 1232986 B.C. Ltd. (“NumberCo”), Lincoln Acquisitions Corp. (“Lincoln”) and the shareholders of BYND. Pursuant to the terms of the BCA: (i) Lincoln and NumberCo would amalgamate to form a new company to be named “BYND Cannasoft Enterprises Inc.” (the “Company” or “BYND Cannasoft”), and (ii) the Company would acquire all of the issued and outstanding shares of BYND from its shareholders in exchange for a pro rated number of shares of BYND Cannasoft (the “Share Exchange Transaction” and together with the Amalgamation Transaction, the “Business Combination Transactions”).

On March 29, 2021, the Company issued an aggregate of 18,015,883 common shares to BYND shareholders in consideration for all the 1,761 shares issued and outstanding of BYND. Upon completion of the Share Exchange, BYND became a wholly-owned subsidiary of the Company, and the Company continued to carry out the business operations of BYND.

As a result of the Share Exchange, BYND is deemed to be the acquirer for accounting purposes (“Reverse Takeover”) and therefore its assets, liabilities and operations are included in the condensed consolidated interim financial statements at their historical carrying value, with the operations of the Company being included from March 29, 2021, the closing date of the Reverse Takeover, and onwards.

NOTE 3 – ACQUISITIONS (continued)

Acquisition of B.Y.B.Y. (continued)

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At the time of the reverse takeover, the Company did not constitute a business as defined under IFRS 3 *Business Combination*; therefore, the Reverse Takeover of the Company by BYND is accounted for under IFRS 2 *Share-based Payments*, where the difference between the consideration given to acquire the Company and the net asset value of the Company is recorded as a listing expense to profit and loss. The fair value of the consideration issued for the net assets of the Company is as follows:

Consideration transferred:	\$
Fair value of shares retained by former BYND Cannasoft shareholders (6,269,117 shares at \$0.82 per share)	5,140,676
Forgiveness of BYND debt	(276,210)
Total consideration transferred	4,864,466
Fair value of net assets acquired:	
Cash	494,144
Amount receivable	1
Trade payable and other liabilities	(24,069)
Total net assets acquired	470,076
Listing expense	4,394,390

NOTE 4 – AMOUNTS RECEIVABLES

		June 31,		December 31, 2021
		2022		
Trades receivable	\$	114,429	\$	131,187
Income tax advances		35,711		61,547
Due from shareholders		7,941		4,094
	\$	158,081	\$	196,828

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NOTE 5 – RIGHT-OF-USE ASSETS

The Company's right-of-use asset relates to the lease of office space and vehicles. The Company recognized lease liabilities which were measured at the present value of the remaining lease payments and discounted using the lessee's incremental borrowing rate as of 1.51%.

	Offices		Total	
Cost				
Balance as of January 1, 2021	\$	66,912	\$	66,912
Translation differences		-		-
Balance, December 31, 2021		66,912		66,912
Translation differences		-		-
Balance, June 30, 2022	\$	66,912	\$	66,912
Accumulated depreciation				
Balance as of January 1, 2021	\$	50,184	\$	50,184
Depreciation		16,361		16,361
Translation differences		367		367
Balance, December 31, 2021		66,912		66,912
Depreciation		-		-
Translation differences		-		-
Balance, June 30, 2022	\$	66,912	\$	66,912
Net book value				
At December 31, 2021	\$	-	\$	-
At June 30, 2022	\$	-	\$	-

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NOTE 6 – INTANGIBLE ASSETS

The Company's intangible assets relate to the proprietary Cannabis CRM software the Company is developing as well as the primary growing license for medical cannabis in Israel held by B.Y.B.Y. (Note 3). The Additions for the Software include cost of wages of the software developers for the time they spend on developing the Cannabis CRM software.

	Software		License		Total
Cost					
Balance, December 31, 2020	\$	-	\$	-	\$ -
Additions		450,429		850,000	1,300,429
Translation differences		-		-	-
Balance, December 31, 2021		450,429		850,000	1,300,429
Additions		509,779		-	509,779
Balance June 30, 2022	\$	960,208	\$	850,000	\$ 1,810,208
Accumulated depreciation					
Balance, December 31, 2020	\$	-	\$	-	\$ -
Depreciation		-		-	-
Translation differences		-		-	-
Balance, December 31, 2021		-		-	-
Depreciation		-		-	-
Balance June 30, 2022	\$	-	\$	-	\$ -
Net book value					
At December 31, 2021	\$	450,429	\$	850,000	\$ 1,300,429
At June 30, 2022	\$	960,208	\$	850,000	\$ 1,810,208

NOTE 7 – PROPERTY AND EQUIPMENT (Restated)

	Computers & Equipment (Restated)	Vehicles (Restated)	Furniture & Equipment (Restated)	Property Under Construction	Total (Restated)
Cost					
Balance, January 1, 2021	\$ 28,308	\$ 186,547	\$ 34,322	\$ -	\$ 249,177
Additions	2,590	-	-	390,059	392,649
Translation differences	1,046	5,935	1,092	-	8,073
Balance, December 31, 2021	31,944	192,482	35,414	390,059	649,899
Additions	-	-	-	640,048	640,048
Disposals	(1,500)	-	-	-	(1,500)
Translation differences	(3,058)	(18,853)	(3,469)	-	(25,380)
Balance, June 30, 2022	\$ 27,386	\$ 173,629	\$ 31,945	\$ 1,030,107	\$ 1,263,067
Accumulated depreciation					
Balance as of January 1, 2021	\$ 21,947	\$ 110,616	\$ 26,378	\$ -	\$ 158,941
Depreciation	3,933	33,325	2,301	-	39,560
Translation differences	914	6,278	966	-	8,157
Balance, December 31, 2021	26,794	150,219	29,645	-	206,658
Depreciation	1,464	16,686	1,152	-	19,302
Translation differences	(2,697)	(15,543)	(2,961)	-	(21,201)
Balance, June 30, 2022	\$ 25,561	\$ 151,362	\$ 27,836	\$ -	\$ 204,759
Net book value					
At December 31, 2021	\$ 5,151	\$ 42,263	\$ 5,768	\$ 390,059	\$ 443,241
At June 30, 2022	\$ 1,825	\$ 22,267	\$ 4,109	\$ 1,030,107	\$ 1,058,308

During the six months ended June 30, 2022, depreciation of \$1,464 (2021 - \$1,848) related to computer and equipment is included in cost of revenue.

NOTE 8 – TRADE PAYABLES AND ACCRUED LIABILITIES

	June 30, 2022	December 31, 2021
Trades payable	\$ 177,253	\$ 105,931
VAT, Income and Dividend taxes payable	8,039	-
Due to shareholders	-	1,322
Salaries payable	136,912	73,345
	\$ 322,204	\$ 180,598

NOTE 9– RELATED PARTY TRANSACTIONS BALANCES

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 members of the Company's Board of Directors and corporate officers. The remuneration of directors and key management personnel, not including normal employee compensation, made during the six months ended June 30, 2022 and the six months ended June 30, 2021 is set out below:

	June 30, 2022	June 30, 2021
Salary (cost of sales)	\$ 127,637	\$ 287,580
Consulting (Property under construction)	75,510	-
Consulting (Professional fees)	57,000	-
Salary (intangible asset –software)	386,087	-
Consulting (general and administrative expenses)	128,750	-
	<u>\$ 774,984</u>	<u>\$ 287,580</u>

As at June 30, 2022, \$7,941 (December 31, 2021 – \$4,094) was owed from directors of the Company. Amounts owed from directors were recorded in amounts receivables are non-interest bearing and unsecured.

As at June 30, 2022, Nil was owed to directors of the Company (December 31, 2021 - \$1,322). Amounts due were recorded in accounts payable are non-interest bearing and unsecured.

NOTE 10 – LEASE LIABILITIES

The Company has leases including leases of offices for 1-2 years and vehicles for 3 years. Some of the leases entered into by the Company include extension and/or cancelation options and adjustments due to linkage to the index on different dates. The office lease has ended on October 31, 2021 and the office space is now rented on a month to month basis.

	June 30, 2022	December 31, 2021
Balance, opening	\$ -	\$ 18,195
Lease payments	-	(17,796)
Interest	-	135
Translation difference	-	(534)
Balance, ending	<u>\$ -</u>	<u>\$ -</u>

NOTE 11 – LONG TERM LOAN

During the year ended December 31, 2020, the Company secured a term loan with a principal amount of \$195,305 (NIS 500,000) from an Israeli bank. The loan bears interest at the rate of 3.14% per annum and matures on September 18, 2025. The loan is subject to 48 monthly payments commencing October 18, 2021. \$9,273 (NIS 25,000) was deposited in the bank as security for the loan.

NOTE 11 – LONG TERM LOAN (continued)

The activities of the long term loan during the six month ended June 30, 2022 are as follows:

	June 30, 2022	December 31, 2021
Balance, opening	\$ 192,651	\$ 198,405
Repayments	(23,174)	(11,437)
Interest expense, accrued	2,676	5,562

Translation difference	(20,329)	121
Balance, ending	151,824	192,651
Less:		
Long term loan – current portion	45,080	49,207
Long term loan	\$ 106,744	\$ 143,444

The undiscounted repayments for each of the next four years and in the aggregate are:

Year ended	Amount
December 31, 2022	\$ 22,430
December 31, 2023	45,783
December 31, 2024	47,222
December 31, 2025	36,389
	\$ 151,824

NOTE 12 – EMPLOYEE BENEFITS

The severance pay liability constitutes a defined benefit plan and was calculated using actuarial assumptions. In measuring the present value of the defined benefit obligation and the current service costs the projected unit credit method was used.

a. Plan assets (liability)

Information on the Company's defined benefit pension plans and other defined benefit plans, in aggregate, is summarized as follows:

	June 30, 2022	December 31, 2021
Defined benefit plan liabilities	\$ (79,233)	\$ (87,058)
Less: fair value of plan assets or asset ceiling	-	-
	\$ (79,233)	\$ (87,058)

NOTE 12 – EMPLOYEE BENEFITS (continued)**b. Changes in the present value of the defined benefit plan liability**

The following are the continuities of the fair value of plan assets and the present value of the defined benefit plan obligations:

	June 30, 2022	December 31, 2021
Balance, opening	\$ (87,058)	\$ (82,867)
Recognized in profit this year:		
Interest costs	(654)	(1,306)
Current service cost	(3,200)	(6,391)
Recognized in other comprehensive profit:		
Actuary loss for change of assumptions	3,116	6,223
Translation differences	8,563	(2,717)
Balance, ending	\$ (79,233)	\$ (87,058)

The actual amount paid may vary from the estimate based on actuarial valuations being completed, investment performance, volatility in discount rates, regulatory requirements and other factors.

c. Major assumptions in determining the defined benefit plan liability

The principal actuarial assumptions used in calculating the Company's defined benefit plan obligations and net defined benefit plan cost for the year were as follows (expressed as weighted averages):

	June 30, 2022	December 31, 2021
Capitalization rate	2.4%	2.4%
Salary growth rate	0%	0%
Retirement rate	5%	5%

NOTE 13 – SHARE CAPITAL (Restated)**Authorized**

Unlimited number of common shares without par value.

Issued

As at June 30, 2022, 29,670,083 common shares were issued and outstanding.

During the six months ended June 30, 2022

On January 13, 2022, the Company completed a non-brokered private placement financing wherein it raised \$122,950 through the issuance of 40,983 common shares at a price of \$3.00 per share.

On May 3, 2022, 150,000 stock options were exercised to common shares for a total proceeds of \$123,000.

During the year ended December 31, 2021

NOTE 13 – SHARE CAPITAL (Restated) (continued)

On March 29, 2021, as part of the reverse takeover as described in note 4, the Company issued 18,015,883 of its common shares to the former shareholders of BYND in exchange for all of the issued and outstanding shares of BYND. Total 6,269,117 shares were retained by the former shareholders of the Company.

On May 5, 2021, the Company announced that it completed a non-brokered private placement financing wherein it raised \$522,410 through the issuance of 435,337 common shares at a price of \$1.20 per share.

On July 5, 2021, the Company announced that it completed a non-brokered private placement financing wherein it raised \$1,840,000 through the issuance of 2,000,000 common shares at a price of \$0.92 per share.

On August 16, 2021, 5,000 stock options were exercised to common shares and on September 21, 2021, 55,000 stock options were exercised to common shares for a total proceeds of \$49,200.

On October 4, 2021, the Company completed two non-brokered private placements financing wherein it raised \$2,500,000 through the issuance of 2,403,846 common shares at a price of \$1.04 per share as well as 400,000 non-transferable share purchase warrants at an exercise price of \$1.30 per common share.

The Company recorded a share purchase warrants reserve of \$639,879 based on the Black-Scholes option pricing model and the following input assumptions:

Weighted average fair value of warrants issued on October 4, 2021	\$ 1.60
Risk-free interest rate	1.33%
Estimated life	2 years
Expected volatility	100.13%
Expected dividend yield	0%

The funds raised from the \$2,500,000 private placement were held in escrow until the company's shares were approved for listing on the Nasdaq.

In connection with the second financing, the Company raised \$189,834 through the issuance of 94,917 common shares at a price of \$2.00 per share.

On October 14, 2021, the Company completed a non-brokered private placement financing wherein it raised \$400,000 through the issuance of 200,000 common shares at a price of \$2.00 per share.

Stock options

The Company has a stock option plan to grant incentive stock options to directors, officers, employees and consultants. Under the plan, the aggregate number of common shares that may be subject to option at any one time may not exceed 10% of the issued common shares of the Company as of that date, including options granted prior to the adoption of the plan. The exercise price of these options is not less than the Company's closing market price on the day prior to the grant of the options less the applicable discount permitted by the CSE. Options granted may not exceed a term of five years.

NOTE 13 – SHARE CAPITAL (Restated) (continued)

A summary of the stock options outstanding for the six months ended June 30, 2022 are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding at January 1, 2021	-	-
Granted during the period	1,135,000	\$ 1.09
Exercised during the period	(60,000)	\$ 0.82
Cancelled during the period	(180,000)	\$ 0.82

Outstanding at December 31, 2021	895,000	\$	1.16
Exercised during the period	(150,000)	\$	0.82
Granted during the period	10,000	\$	6.20
Outstanding at June 30, 2022	755,000		1.30
Exercisable at December 31, 2021	613,750	\$	1.02
Exercisable at June 30, 2022	718,750	\$	1.19

During the year ended December 31, 2021, there were 780,000 the stock options granted to the directors and officers of the Company with an exercise price of \$0.82 per share. The options are exercisable for a period five years from the grant date and are subject to the following vesting schedule: 25% upon listing of the Company's shares on the Canadian Stock Exchange, 25% on 90 days thereafter, 25% on 180 days thereafter and the remainder on 270 days thereafter. In addition, 240,000 stock options were granted to a director of the Company with an exercise price of \$1.22 per share and 115,000 stock options were granted to a director of the Company with an exercise price of \$2.65 per share. During the six months ended June 30, 2022, there were 10,000 stock options granted to a director of the Company with an exercise price of \$6.20 per share and 150,000 stock options were exercised to shares.

As at June 30, 2022, 718,750 of these stock options were vested. During the six months ended June 30, 2022, the Company recorded \$125,192 in share-based payment expense.

Details of the fair value of options granted and the assumptions used in the Black-Scholes option pricing model are as follows:

Weighted average fair value of options granted	\$	0.81
Risk-free interest rate		1.06%
Estimated life		4.18 years
Expected volatility		72.67%
Expected dividend yield		0%

NOTE 14 – REVENUE AND DEFERRED REVENUE

		June 30, 2022	June 30, 2021
Software development	\$	372,439	\$ 347,552
Software license		212,607	199,731
Software supports		39,444	68,136
Cloud hosting		33,646	40,376
Others		4,796	6,933
	\$	662,932	\$ 662,728

NOTE 14 – REVENUE AND DEFERRED REVENUE (continued)

The Company recognized revenues from contracts with customers in accordance with the following timing under IFRS 15:

		June 30, 2022	June 30, 2021
Revenue recognized over time	\$	450,325	\$ 462,997
Revenue recognized at a point of time		212,607	199,731
	\$	662,932	\$ 662,728

Deferred revenue represents contract liabilities for customer payments received related to services yet to be provided subsequent to the reporting date. Significant changes in deferred revenue are as follows:

		June 30, 2022		December 31, 2021
Deferred revenue, beginning	\$	30,046	\$	107,865
Customer payments received attributable to contract liabilities for unearned revenue		42,244		64,434
Revenue recognized from fulfilling contract liabilities		44,830		142,253
Deferred revenue, ending	\$	27,460	\$	30,046

The Company derives significant revenues from one customer, which exceeds 10% of total revenues. Revenues earned from that customer were 86% of total revenues for the period ended June 30, 2022 (Six months ended June 30, 2021 – 72%)

NOTE 15 – COST OF REVENUE (Restated)

Cost of revenue incurred are comprised of the following:

		June 30, 2022		June 30, 2021 (Restated)
Salaries and benefits	\$	255,037	\$	326,052
Subcontractors		-		560
Software and other		13,663		13,218
Depreciation		1,464		1,848
	\$	270,164	\$	341,678

NOTE 16 – SUBSEQUENT EVENTS

On July 3, 2022, the Company granted two of its directors 26,908 RSU under the following terms: Expiration in 1 year, vesting schedule: 25% upon their grant, 25% on 90 days thereafter, 25% on 180 days thereafter and the remainder on 270 days thereafter. Accordingly, 6,727 common shares were issued on July 3, 2022 to those two directors.

**BYND CANNASOFT ENTERPRISES INC.
MANAGEMENT DISCUSSION AND ANALYSIS FOR THE
SIX MONTH PERIOD ENDED JUNE 30, 2022**

All dollar amounts are expressed in Canadian dollars unless otherwise indicated

BACKGROUND

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited, consolidated financial statements and notes thereto of BYND Cannasoft Enterprises Inc. ("BYND Cannasoft" or the "Company") for the six month period ended June 30, 2022. The information contained in this MD&A is current to August 12, 2022.

The preparation of the Company's financial statements are in conformity with International Financial Reporting Standards ("IFRS") and requires management to make assumptions that affect the reported amounts of assets, liabilities and expenses in addition to the disclosure of contingent liabilities at the date of the financial statements and reporting amounts. The Company bases its estimates on historical experience, current trends and various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from those estimates.

COVID-19

Since March 2020, several governmental measures have been implemented in both Israel and Canada and throughout the rest of the world in response to the coronavirus (COVID-19) pandemic. While the impact of COVID-19 and these measures are expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on the Company's business operations cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows in the future. The Company continues to operate its business and adheres to applicable emergency measures as those are developed.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS AND RISK FACTORS

This MD&A contains forward-looking statements that include risks and uncertainties that are disclosed under the section "*Risk Management*". Other factors that could affect actual results are uncertainties pertaining to government regulations, both domestic as well as foreign, and the changes within the capital markets.

This MD&A contains certain statements that may constitute "forward-looking statements". Forward-looking statements include but are not limited to, statements regarding future anticipated business developments and the timing thereof, regulatory compliance, sufficiency of working capital, and business and financing plans. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward looking statements as a result of various factors, including, but not limited to, the Company's ability to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies.

GOING CONCERN

The Company's financial statements have been prepared on a going concern basis, which implies the Company will continue to realize its assets and discharge its liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent upon the continued financial support from its shareholders, the ability of the Company to generate revenue to establish profitable operations and to obtain the necessary equity or debt financing to fund operations as required.

OUTLOOK

The Company's primary focus for the foreseeable future will be: (i) the continuation of its current CRM software business, (ii) development of its New Cannabis CRM Platform (defined below) for the medical cannabis industry, (iii) raising sufficient capital to enable the Company to construct its proposed Cannabis Farm (defined below), and (iv) the construction and operation of its proposed Cannabis Farm.

DESCRIPTION OF BUSINESS

BYND Cannasoft Enterprises Inc. was amalgamated under the *Business Corporations Act* (British Columbia) on March 29, 2021. The Company's registered address is 2264 East 11th Avenue, Vancouver, BC, V5N 1Z6, Canada.

CRM Business

The Company's fully owned subsidiary BYND - Beyond Solutions Ltd. ("**BYND Israel**"), a corporation incorporated under the laws of the State of Israel, develops and markets customer relationship management (CRM) software products that enable small and medium sized enterprises (SMEs) to optimize day to day functions such as sales management, workforce management, contact center operations and asset management. BYND Israel currently offers a proprietary CRM software product known as "*Benefit CRM*" (our "**Benefit CRM Software**") to its customers. Over the last 3 years, BYND Israel has been developing the next generation of its Benefit CRM Software (our "**New CRM Platform**"), which will be cloud based and will include many new features and enhancements.

BYND Israel has also begun development of a new, revolutionary CRM software platform, designed specifically to serve the unique needs of the medical cannabis sector (our "**New Cannabis CRM Platform**"). BYND Israel's goal is that its New Cannabis CRM Platform will ultimately become the "virtual marketplace" for all stakeholders in medical cannabis.

Medical Cannabis

On October 1, 2020, BYND Israel executed a share purchase agreement with the shareholders of B.Y.B.Y. Investments and Promotions Ltd. ("**Cannasoft**"), a corporation incorporated under the laws of the State of Israel. Pursuant to the agreement, BYND Israel would acquire 74% ownership interest in Cannasoft from its shareholders, in exchange for 54.58% ownership interest in BYND Israel ("**Cannasoft Acquisition**"). Cannasoft owns a primary license for growing medical cannabis granted by the Israeli Ministry of Health and has begun the process of obtaining the necessary permits and approvals to construct a 3.7 acre cannabis farm in southern Israel, to grow and harvest medical cannabis (the "**Cannabis Farm**"). The Cannasoft Acquisition transaction was completed on March 29, 2021.

BYND Israel's long term goal is to leverage its Cannabis Farm business to assist in the development of its New Cannabis CRM Platform. By using data generated by the operation of the Cannabis Farm, including data relating to the growing, harvesting and selling of medical cannabis, BYND Israel will be able to better optimize its New Cannabis CRM Platform to offer stakeholders in the Cannabis industry, a state of the art resource which will enhance their businesses.

The Cannasoft Acquisition and the Lincoln Business Combination Transaction

In early 2019, BYND Israel entered into discussions with the owners of Cannasoft, with a view to: (i) combining their respective businesses, (ii) raising the capital necessary to construct the Cannabis Farm, and (iii) listing BYND Israel's shares for trading on a Canadian stock exchange (the "**Listing**"). In pursuit of these goals:

- On April 22, 2019, BYND Israel signed a convertible loan agreement with an investor, who agreed to loan BYND Israel USD\$100,000, to be used to pursue the Cannasoft Acquisition and the Listing;
- On August 18, 2019, BYND Israel entered into a "document of understanding" with the owners of Cannasoft, which outlined the basic terms of the Cannasoft Acquisition;
- On November 28, 2019, BYND Israel entered into a non-binding letter of intent with Lincoln Acquisitions Corp. ("**Lincoln**"), setting out the general terms and conditions relating to a proposed transaction wherein Lincoln would:
 - acquire BYND Israel and Cannasoft from their respective shareholders (the "**Business Combination Transactions**"); and
 - complete the Listing, by applying to list its shares for trading on the Canadian Securities Exchange ("**CSE**");
- On December 9, 2019, BYND Israel assisted in the formation of a new British Columbia corporation ("**Fundingco**"), to be used as a vehicle for raising capital in connection with the Cannasoft Acquisition and the Listing;
- On December 16, 2019, BYND Israel entered into a definitive Business Combination Agreement with Lincoln, Fundingco and the shareholders of BYND Israel in connection with the Business Combination Transactions wherein the parties agreed *inter alia* that:
 - Lincoln and Fundingco would amalgamate to form BYND Cannasoft, and
 - BYND Cannasoft would acquire all of the issued and outstanding shares of BYND Israel (and its 74% owned subsidiary, Cannasoft);

The Business Combination Transactions were completed on March 29, 2021. Following completion of the Business Combination Transactions, BYND Cannasoft's primary businesses are now the businesses of BYND Israel and of Cannasoft.

The Company's common shares have been approved for listing on the Nasdaq Capital Market ("**Nasdaq**"). Trading commenced on Tuesday, May 31, 2022 under the symbol "**BCAN**".

SELECTED FINANCIAL INFORMATION

The following table sets forth selected financial information of the Company for the six month period ended June 30, 2022 and 2021 and for the year ended December 31, 2021. The selected financial information set out below has been derived from the Company's consolidated unaudited quarterly financial statements and accompanying notes and its consolidated audited financial statements and accompanying notes, for the corresponding periods. The selected financial information set out below may not be indicative of the Company's future performance.

Item	Six Month Period Ended June 30, 2022 (CAD\$)	Six Month Period Ended June 30, 2021 (CAD\$)	Year Ended December 31, 2021 (CAD\$)
Revenues	662,932	662,728	1,217,459
Loss	(638,669)	(4,543,591)*	(4,878,738)*
Total Assets	7,251,727	4,347,050	7,490,722
Total Liabilities	580,721	590,841	490,353
Working Capital	3,988,467	2,755,929	5,487,201
Shareholders' Equity	6,671,006	3,756,209	7,000,369
Number of Common Shares Outstanding at period end	29,670,083	24,720,337	29,479,100

* Includes a one-time non-recurring non-cash \$4,394,390 listing expense incurred due to the Business Combination Transactions and the company's listing of its shares on the CSE.

RESULTS OF OPERATIONS AND OVERALL PERFORMANCE

A. O-PERATING RESULTS

For the six month period ended June 30, 2022, the Company recorded net loss of \$638,669 compared to a net loss of \$4,543,591 in 2021 and had a cash balance as at June 30, 2022 of \$4,032,499 (December 31, 2021 - \$5,509,984).

The net loss during the 2021 interim period was mainly due to a one-time, non-recurring non-cash \$4,394,390 listing expense incurred in connection with the Business Combination Transactions and the Company's listing of its shares on the CSE.

The following provides an overview of the Company's financial results for the six month period ended June 30, 2022:

Revenue

- Revenues during the period were \$662,932 as compared to \$662,728 for the same period in 2021. This increase is mainly a result of increased revenues from sales of Benefit CRM Software Licenses in the amount of \$12,876 and increased revenues from development hours in the amount of \$24,887 due to an increase in

demand from BYND Israel's largest customer, partially offset by a \$28,692 decrease in revenues from support services.

- Approximately 86% of our sales during the period and 72% of our sales for the same period in 2021 were to our largest customer and as a result, we are highly dependent on this customer to continue our operating activities.
- Development of the Company's New CRM Platform is now complete and a BETA version of the New CRM Platform is available, we believe that we will begin to generate revenues shortly thereafter.
- Development of the Company's New Cannabis CRM Platform Phase I is close to completion, however, we do not expect to generate revenues from the platform for the foreseeable future.
- Cannasoft's proposed Cannabis Farm is at a very early stage of development and we do not expect to generate revenues from the sale of cannabis or cannabis infused products until Q4 2023.

Cost of Revenue

- Cost of Sales for the period amounted to \$270,164 as compared to \$341,678 for the same period in 2021. This decrease is a result of a \$71,015 decrease in payroll expenses which was due to a reduction in the number of employees.
- For the six month period ended June 30, 2022 the Company's gross margin was 59% as compared to 48% during 2021. This increase is a result of increased revenues from sales of Benefit CRM Software Licenses in the amount of \$12,876 which have no cost of sales associated with them, as well as increasing efficiencies in our ratio of employees to support our customers which helped to achieve higher gross margins.

General and Administrative Expenses, Depreciation, Consulting and Marketing, Share-based compensation and Professional Fees

- For the six month period ended June 30, 2022, general and administrative expenses increased to \$509,883 from \$149,298 for the same period in 2021. The increase was due to a \$128,750 increase in Management and Directors compensation, a \$127,551 increase in Nasdaq listing fees, a \$59,438 increase in D&O insurance expenses, a \$74,000 increase in Investor relations expenses, a \$4,261 increase in listing fees paid to the Canadian securities exchange and a \$14,386 increase in transfer agent fees, all of these expenses were incurred due to the company being a reporting issuer on April 2021 as well as the Company's listing on Nasdaq.
 - Professional fees increased to \$243,155 from \$107,065 mainly due to a \$173,333 increase in accounting fees related to the Company's plan to list its shares on the Nasdaq Capital Market.
 - Consulting and Marketing expenses decreased to \$6,188 from \$8,759 due to a \$2,571 decrease in consulting expenses in relation to the new Cannabis CRM platform.

- Depreciation expenses decreased to \$17,838 from \$40,320 mainly due to a \$9,784 decrease in office lease depreciation since the lease agreement has expired.
- Share-based compensation expense decreased to \$125,192 from 198,528 as most stock options were granted at the end of March 2021.

Other Income (Loss) items

- Foreign exchange loss was \$115,330 mainly due to loss on intercompany balances denominated in NIS.
- Income from a Covid-19 grant was \$nil compared to \$19,618 for the same period in 2021 as the company was not eligible for grants in Israel during this period.
- Listing expense for the six month period ended June 30, 2021 was \$4,394,390 as the reverse takeover of BYND Cannasoft by BYND was accounted for under IFRS 2 where the difference between the consideration given to acquire the company and the net asset value of the company is recorded as a listing expense.

B. LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2022, the Company had a cash balance of \$4,032,499 (December 31, 2021: \$5,509,984).

Item	Six Month Ended June 30, 2022 (CAD\$)	Six Month Ended June 30, 2021 (CAD\$)
Cash used in operating activities	(329,326)	(494,748)
Cash used in investing activities	(1,164,938)	(324,003)
Cash provided by financing activities	140,809	2,847,071
Net increase (decrease) in cash	(1,353,455)	2,028,320

- The Company experienced negative cash flows from operating activities during the six month period ended June 30, 2022 in the amount of \$329,326, primarily due to its net loss and increase in prepaid expenses. Cash outlays included general business and administrative expenses, consulting fees, business and product development, and professional fees.
- The Company believes that it will be able to generate sufficient cash flows to maintain its current capacity. Nevertheless, it will require additional funds in order to complete the Company's expansion goals which include, construction of the Cannabis Farm.
- On March 29, 2021, Fundingco completed a private placement financing wherein it issued 562,142 Fundingco special warrants to investors, at an issue price of \$0.82 per special warrant, for gross proceeds of \$460,956.

- On May 5, 2021, the Company completed a private placement financing transaction. In connection with the financing, the Company issued 435,337 common shares to investors at an issue price of \$1.20 per share, raising \$522,410 of gross proceeds.
- On July 5, 2021, the Company completed a non-brokered private placement financing wherein it raised \$1,840,000 through the issuance of 2,000,000 common shares at a price of \$0.92 per share.
- On August 16, 2021, 5,000 stock options were exercised to common shares and on September 21, 2021, 55,000 stock options were exercised to common shares for a total proceeds of \$49,200.
- On October 4, 2021, the Company completed two non-brokered private placements financings:
 - it raised \$2,500,000 through the issuance of 2,403,846 common shares at a price of \$1.04 per share as well as 400,000 non-transferable share purchase warrants at an exercise price of \$1.30 per common share;
 - The funds raised from the \$2,500,000 private placement were held in escrow until the company's shares were approved for listing on the Nasdaq.
 - in connection with the second financing, the Company raised \$189,834 through the issuance of 94,917 common shares at a price of \$2.00 per share.
- On October 14, 2021, the Company completed a non-brokered private placement financing wherein it raised \$400,000 through the issuance of 200,000 common shares at a price of \$2.00 per share.
- On January 13, 2022, the Company completed a non-brokered private placement financing wherein it raised \$122,950 through the issuance of 40,983 common shares at a price of \$3.00 per share.
- On May 3, 2022, 150,000 stock options were exercised to common shares for a total proceeds of \$123,000.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no undisclosed off-balance sheet arrangements that have or are reasonably likely to have, a current or future effect on its results of operations, financial condition, revenues or expenses, liquidity, capital expenditures or capital resources that is material to investors.

OUTSTANDING SHARE CAPITAL

Common Shares

Issued & Outstanding as at June 30, 2022 29,670,083

Issued on July 3, 2022 (RSU to 2 directors of the Company were vested) 6,727

Total Issued & Outstanding as at August 12, 2022 29,676,810

<u>Convertible Securities</u>	<u>Exercise Price</u>	<u>Expiry Date</u>	
Stock Options	\$0.82	March 29, 2026	390,000
Stock Options	\$1.22	June 29, 2026	240,000
Share Purchase Warrants	\$1.30	October 4, 2023	400,000
Stock Options	\$2.65	October 26, 2026	115,000
Stock Options	\$6.20	June 14, 2027	10,000
RSU's	N/A	July 3, 2023	20,181
Fully Diluted Share Capital			<u>30,851,991</u>

TRANSACTIONS WITH RELATED PARTIES

During the six month period ended June 30, 2022, the Company paid management and consulting fees in the amount of \$774,984 to its President, CEO, CFO, CTO & two Directors. During the same period in 2021 the Company paid \$287,580 to its President and CTO.

As at June 30, 2022, there were \$7,941 included in amounts receivable owed from the company's President, CEO & a Shareholder.

On March 29, 2021, the Company granted 780,000 stock options to its independent directors and to its CFO and Corporate Secretary, which options are exercisable for 5 years, at an exercise price of \$0.82 per share. 180,000 of these stock options have been cancelled.

On June 29, 2021, the Company granted 240,000 stock options to an independent director, which options are exercisable for 5 years, at an exercise price of \$1.22 per share.

On October 26, 2021, the Company granted 115,000 stock options to its CFO, which options are exercisable for 5 years, at an exercise price of \$2.65 per share.

On June 14, 2022, the Company granted 10,000 stock options to a director, which options are exercisable for 5 years, at an exercise price of \$6.20 per share.

On July 3, 2022, the Company granted 26,908 RSU's to two directors, which expire on July 3, 2023.

PROPOSED TRANSACTIONS

As of the date of this MD&A, there are no proposed significant transactions involving the Company.

CHANGES IN OR ADOPTION OF ACCOUNTING POLICIES

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

FINANCIAL INSTRUMENTS

Financial instruments include cash, amounts receivable and accounts payable and accrued liabilities. The estimated fair value of these financial instruments approximates their carrying values because of the short term to maturity of these instruments.

As at June 30, 2022 the Company had \$4,383,211 in current assets and \$394,744 in current liabilities resulting in a working capital of \$3,988,467.

RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of risks. The Company's Directors approve and monitor the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's exposure to credit risk is the carrying value of cash and amounts receivable.

For amounts due from customers, the Company performs ongoing credit evaluations of its customers, and monitors the receivable balance and the payments made in order to determine if an allowance for estimated credit losses is required. When determining the allowance for estimated credit losses the Company will consider historical experience with the customer, current market and industry conditions and any specific collection issues.

Interest Rate Risk

Interest Rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. Loans payable include variable interest rates; however, the Company does not believe it is exposed to material interest rate risk.

Foreign Exchange Rate Risk

The Company is exposed to foreign exchange risk as the Company has a surplus of financial assets over financial liabilities denominated in USD as of June 30, 2022, consisting of cash in the sum of \$3,370,355. As of June 30, 2022 a 5% depreciation or appreciation of the U.S. dollar against the New Israeli Shekel would have resulted in an approximate \$168,518 decrease or increase, respectively, in total pre-tax profit.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Total amount of the Company's financial liabilities according to the contractual conditions in non-capitalized amounts (including interest payments) as at June 30, 2022 for the next 5 years and over is \$329,077. To secure the additional capital necessary to pursue its plans, the Company may have to raise additional funds through equity or debt financing.

Limited Financial Resources Risk

The Company has limited financial resources and operating revenues and its ability to move forward with its plans to develop its Cannabis Farm are dependent upon management's success in raising additional capital. Failure to obtain additional financing could result in the delay or indefinite postponement of the development of its Cannabis Farm and the Company may become unable to carry out its stated business objectives.

While the Company has been successful until now, in obtaining financing from the capital markets there can be no assurance that the capital markets will remain favorable in the future, and/or that the Company will be able to raise the financing needed to pursue its business objectives on favorable terms, or at all. Restrictions on the Company's ability to finance could have a materially adverse outcome on the Company and its securities, and its ability to continue as a going concern.

Market Risk

The Company's common shares trade on the Canadian Securities Exchange and the trading value thereof is determined by the evaluations, perceptions and sentiments of both individual investors and the investment community taken as a whole. Such evaluations, perceptions and sentiments are subject to change, both in short term time horizons and longer-term time horizons. An adverse change in investor evaluations, perceptions and sentiments could have a material adverse outcome on the Company and its securities.

Coronavirus (COVID-19) Risk

Since March 2020, several governmental measures have been implemented in both Israel and Canada and throughout the rest of the world in response to the coronavirus COVID-19 pandemic. While the impact of COVID-19 and these measures are expected to be temporary, the current circumstances are dynamic and the impacts of COVID19 on the Company's business operations cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows during 2022. The Company continues to operate its business, and in response to Government emergency measures, has from time to time requested its employees and consultants work remotely wherever possible. These government measures, which could include government mandated closures of the Company or its contractors or restrictions on travel of various personnel, could impact the Company's ability to conduct its business in the normal course.

Business Risks relating to our CRM Business

- Defects or disruptions in our planned cloud-based New CRM Platform and New Cannabis CRM Platform services could diminish demand for our services and subject us to substantial liability.
- Interruptions or delays in service from our third-party data center hosting facilities could impair the delivery of our service and harm our business.

- If we experience significant fluctuations in our rate of anticipated growth and fail to balance our expenses with our revenue forecasts, our results could be harmed.
- We may in the future be sued by third parties for alleged infringement of their proprietary rights.
- We will rely on third-party computer hardware and software that may be difficult to replace or which could cause errors or failures of our service.
- The market for our technology delivery model and enterprise cloud computing application services is immature and volatile, and if it develops more slowly than we expect, our business could be harmed.
- We are currently dependent on one of our clients for the majority of current revenues and any changes to that relationship could have a significant impact on future revenues.

Business Risks relating to our proposed Cannabis Business

- The Company does not yet have sufficient financial resources to complete construction of the Cannabis Farm and there is no guarantee that we will be able to raise the necessary capital, either through debt or equity financing, or in either case, on favorable terms.
- Our Cannabis Farm business will be dependent on our obtaining certain licences and certain GSP and GAP good practice certifications, which if not maintained in good standing, may prevent us from being able to carry on or expand our operations.
- We will face risks inherent in an agricultural business, and an inability to grow crops successfully will interrupt our business activities.
- We will be relying on one key production facility, and disruption of operations at this facility could significantly interfere with our ability to continue our product testing, development and production activities.
- We will rely on key components of our production and distribution process, such as energy and third-party producers and distributors, and a disruption in the availability of those key components, or an increase in their cost, could adversely impact our business.
- Manufacturing difficulties, disruptions or delays could limit supply of our products and limit our product sales. Producing cannabis products is difficult, complex and highly regulated.
- We are subject to environmental, health and safety regulations and risks, which may subject us to liability under environmental laws.
- We are dependent on the success of our quality control systems, which may fail, and cause a disruption of our business and operations.
- The success of our branded cannabis products business will depend on the success of the cannabis product candidates we develop. To date, we have not developed any cannabis products, and we do not expect to generate revenue from any cannabis products that we develop until at least Q4 2023.

- Unfavorable publicity or unfavorable consumer perception of us or cannabis generally may constrain our sales and revenue.

General Business Risks

- We face the risk of exposure to product liability claims, regulatory action and litigation if our products cause loss or injury.
- We may not be able to obtain insurance coverage for all of the risks we face, exposing us to potential uninsured liabilities.
- If any of the products that we produce or intend to produce are recalled due to an alleged product defect or for any other reason, we could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall.

OTHER MATTERS

Legal Proceedings

There are no ongoing legal proceedings of any kind initiated by the Company or by third parties against the Company.

Contingent Liabilities

At the date of MD&A, management was unaware of any outstanding contingent liability relating to the Company's activities.

Disclosure Controls and Procedures

The Company's directors and officers are responsible for designing internal controls over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external purposes in accordance with IFRS. The design of the Company's internal control over financial reporting was assessed as of the date of this MD&A.

Based on this assessment, it was determined that certain weaknesses existed in internal controls over financial reporting. As indicative of many small companies, the lack of segregation of duties and effective risk assessment were identified as areas where weaknesses existed. The existence of these weaknesses is to be compensated for by senior management monitoring, which exists. The officers will continue to monitor very closely all financial activities of the Company and increase the level of supervision in key areas. It is important to note that this issue would also require the Company to hire additional staff in order to provide greater segregation of duties. Since the increased costs of such hiring could threaten the Company's financial viability, management has chosen to disclose the potential risk in its filings and proceed with increased staffing only when the budgets and work load will enable the action.

The Company has attempted to mitigate these weaknesses, through a combination of extensive and detailed review by the Company's directors and officers, of the financial reports, the integrity and reputation of accounting personnel, and candid discussion of those risks.

DISCLAIMER

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. The users of this information, including but not limited to investors and prospective investors, should read it in conjunction with all other disclosure documents provided by the Company from time to time.

No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein.

APPROVAL

The Company's Board of Directors oversees management's responsibility for financial reporting and internal control systems through an Audit Committee. This Committee meets periodically with management and annually with the independent auditors to review the scope and results of the annual audit and to review the financial statements and related financial reporting and internal control matters before the financial statements are approved by the Board of Directors and submitted to the shareholders of the Company. The Board of Directors of the Company has approved the Financial Statements and the disclosure contained in this MD&A.