

FTI Foodtech International Inc.

Statements of financial position as at December 31

(Unaudited)

(Expressed in Canadian dollars)

	December 31	March 31
	2023	2023
	\$	\$
Assets		
Current		
Cash	9,431	7,975
Accounts receivable (Note 4)	8,796	-
Barter credits	350,052	242,266
Inventories	4,181	11,199
Prepaid Expenses	-	-
	372,461	261,440
Non-current barter credits	84,943	144,771
Total Assets	457,404	406,211
Liabilities		
Current		
Accounts payable and accrued liabilities	49,853	49,374
Total current liabilities	49,853	49,374
Advances from related company	346,934	264,381
Total Liabilities	396,787	313,755
Shareholders' equity		
Share capital (Note 6)	5,388,883	5,388,883
Share option reserve (Note 6)	366,188	361,247
Expired share options	17,355	17,355
Accumulated deficit	(5,711,809)	(5,675,029)
Total Equity	60,617	92,456
	457,404	406,211

Approved by the Board

_____ Director

_____ Director

The accompanying notes are an integral part of these financial statements

FTI Foodtech International Inc.

Statements of operations and comprehensive earnings (loss)
for the periods ended December 31
(Unaudited)
(Expressed in Canadian dollars)

	Three Months Ended		Nine Month Ended	
	December 31		December 31	
	2023	2022	2023	2022
	\$	\$	\$	\$
Revenue				
Product sales and other	41,983	6,224	80,386	74,035
Cost of product sales	13,172	-	49,767	2,934
	28,811	6,224	30,619	71,101
Expenses				
General and administrative (Note 7)	13,392	2,427	62,453	11,109
	13,392	2,427	62,453	11,109
Net profit (loss)	15,419	3,796	(31,834)	59,992
Net profit (loss) per share (Note 8)				
Basic and diluted	0.001	0.000	(0.002)	0.004
Weighted average number of shares outstanding - basic (Note 8)	14,968,863	14,968,863	14,968,863	14,968,863

The accompanying notes are an integral part of these financial statements

FTI Foodtech International Inc.

Statements of changes in equity
for the period ended December 31, 2023

(Unaudited)

(Expressed in Canadian dollars)

	Share capital Number of shares	Share capital Amount	Share option reserve	Warrants	Expired share options and warrants	Accumulated deficit	Total
		\$	\$	\$	\$	\$	\$
Balance at April 1, 2022	14,968,863	5,388,883	383,647	17,355		(5,690,676)	99,209
Net profit (loss)						59,992	59,992
Private Placement							
Balance at December 31, 2022	14,968,863	5,388,883	383,647	17,355		(5,630,684)	159,201
Balance at April 1, 2023	14,968,863	5,388,883	383,647	17,355		(5,679,975)	109,910
Net profit (loss)	-	-	-	-		(31,834)	(31,834)
Balance at December 31, 2023	14,968,863	5,388,883	383,647	17,355		(5,711,809)	78,076

The accompanying notes are an integral part of these financial statements

FTI Foodtech International Inc.

Statements of cash flows

for the period ended December 31

(Unaudited)

(Expressed in Canadian dollars)

	Three Months Ended		Nine Months Ended	
	December 31		December 31	
	2023	2022	2023	2022
	\$	\$	\$	\$
Operating activities				
Net income (loss) for the period	15,419	3,796	(31,834)	59,992
Item not affecting cash				
Amortization of equipment	-	-	-	-
	15,419	3,796	(31,834)	59,992
Changes in non-cash operating items				
Accounts receivable	(33,329)	(4,718)	(56,755)	(77,012)
Inventories	-	-	7,018	(48,491)
Prepaid expenses and sundry receivables	-	-	-	-
Accounts payable and accrued liabilities	(14,258)	(30,624)	199	(51,785)
	(47,587)	(35,342)	(49,537)	(177,288)
Increase (Decrease) in cash	(32,168)	(34,545)	(81,371)	(117,297)
Financing Activities				
Advances to related company	34,940	33,705	70,390	102,286
Private placement, net of share issuance costs	-	-	-	-
	34,940	33,705	70,390	102,286
Effect of exchange rate changes on cash held in foreign currency	-	-	-	-
Increase (Decrease) in cash	(5,778)	2,160	(10,981)	(15,011)
Cash, beginning of period	2,772	7,404	7,975	24,575
Cash, end of period	(3,006)	9,564	(3,006)	9,564
Interest paid	-	-	-	-
Income taxes paid	-	-	-	-

The accompanying notes are an integral part of these financial statements

FTI Foodtech International Inc.

Notes to Financial Statements for the Period Ended December 31, 2023

(Unaudited) (Expressed in Canadian dollars)

1. NATURE OF OPERATIONS

FTI Foodtech International Inc. ("FTI" or "the Company") was incorporated on April 3, 1979 under the Canada Business Corporations Act, is listed on the TSX Venture Exchange ("TSXV") under the symbol FTI. The primary business of the Company is the resale of liquidation merchandise. The Company exchanges goods on Barter Exchanges for which transactions are tendered using Barter Exchange Dollars ("Barter Credits"). The Company's registered address and principal place of business is 156 Abbeywood Trail, Toronto, Ontario, M3B 3B7.

FTI continues its work in the liquidation and barter businesses.

The financial statements have been prepared under the assumption that the Corporation is a going concern and will continue to be in operation for the foreseeable future. There is significant uncertainty as to whether we can continue as a going concern if we cannot secure additional funding.

2. GOING CONCERN

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business.

For the period ended December 31, 2023, the Company reported a net profit of \$15,419 (Q3-F'23 - net profit of \$3,796) and has an accumulated deficit of \$5,711,809 (Q3-F'23 - \$5,630,684) and a working capital of \$322,607 (Q3-F'23 - \$335,541).

The Company's ability to continue as a going concern is dependent upon its ability to develop and maintain profitable operations and to obtain additional financing, the Company has successfully obtained financing in the form of advance from a related party in order to meet its working capital needs. However, there is no assurance that this initiative will be successful and, as a result, there is material uncertainties that may cast significant doubt regarding the Company's ability to continue as a going concern.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the going concern assumption was inappropriate, and these adjustments could be material.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations adopted by the International Accounting Standards Board ("IASB"). The financial statements were authorized for issue by the Board of Directors of the Company on February 28, 2023.

Functional Currency

The financial statements are presented in Canadian dollars, which is the Company's functional currency.

Basis of Preparation

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value, as explained in the accounting policies set out below.

Cash

Cash consists primarily of cash on hand less outstanding cheques and demand deposits with banks.

Barter Credits

A large portion of the Company's main business is conducted through the use of Barter Exchanges. Sales and purchases made through the Barter Exchanges result in the receipt and use of barter credits. The values of the barter credits are recorded at its recoverable value, which is assessed by management as a factor of the likelihood that the Company will redeem these credits and their ability to redeem these credits. Barter credits are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. The recoverable amount is the higher of fair value less costs of disposal and value in use. Fair value is the value that would be received in exchange for the barter credits between market participants at the measurement date. Costs of

FTI Foodtech International Inc.

Notes to Financial Statements for the Period Ended December 31, 2023

(Unaudited) (Expressed in Canadian dollars)

disposal are incremental costs directly attributable to utilization of the barter credits. Value in use is equal to the present value of future inflows expected to be derived from the barter credits.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment losses may be reversed in a subsequent period where the impairment no longer exists or has decreased. The carrying amount after a reversal must not exceed the carrying amount that would have been determined had no impairment loss been recognized. A reversal of impairment loss is recognized in profit or loss.

Inventories

Inventories comprising finished goods relate to liquidation merchandise, which are purchased for resale and are stated at the lower of cost and net realizable value. Cost is determined using the first in, first out method. The cost of goods held comprises the cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Impairment

A financial asset carried at amortized cost is considered impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset that can be reliably estimated. Significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively.

Revenue Recognition

Revenue from the resale of liquidation merchandise is recognized at the time of shipment and transfer of title to the customer has occurred (primarily to wholesalers and retailers) and collectability is reasonably assured. Sale of liquidation merchandise through the Barter Exchanges results in the earning of barter credits which are measured at the fair value of the barter credits received or receivable. In the case of returns, the Company's policy is to offer exchanges of merchandise of similar value for goods returned in a timely manner by the customers.

Share-based Payments

The Company uses the fair value method of accounting for options granted under its share purchase option plan. Options granted to directors, officers and employees are measured at fair value, which is charged to the statement of operations over the applicable vesting period, with an offsetting credit to share option reserve. Options granted to non-employees are measured at fair value of goods and services received unless that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted. Such expense is also charged to the statement of operations at the date the options are fully vested, with an offsetting credit to share option reserve. The cumulative expense is recognized for equity settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. Consideration received upon exercise of share purchase options, along with the related amount previously recorded in share option reserve, is credited to share capital. Cash received on the exercise of stock options is recorded in share capital and the related compensation included in share option reserve is transferred to share capital to recognize the total consideration for the shares issued.

Income Taxes

The Company accounts for income taxes in accordance with the liability method. Under this method, deferred income tax assets and liabilities are recognized for the future tax consequences attributable to tax losses carried forward and differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases.

Deferred income tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in the statement of operations in the period that includes the date of enactment or substantive enactment.

Deferred income tax assets are recognized to the extent that management believes that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Earnings (Loss) Per Share

FTI Foodtech International Inc.

Notes to Financial Statements for the Period Ended December 31, 2023

(Unaudited) (Expressed in Canadian dollars)

Basic earnings (loss) per share is computed by dividing the net earnings (loss) available to common shareholders by the weighted average number of common shares outstanding during the period. The computation of diluted earnings (loss) per share assumes conversion, exercise or contingent issuance of options, warrants and securities only when such conversion, exercise or issuance would have a dilutive effect on income per share. For the year ended March 31, 2022, no potential stock options are included in the computation as they are anti-dilutive.

Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

Units Issuance

From time to time, the Company may issue Units as a means of raising capital. Ordinarily, each Unit contains one common share of the Company and a whole, or fraction of, a share purchase warrant. The Company allocates the proceeds from each unit to the common share and warrant components based on their residual value of the units to shares using the Black Scholes pricing model.

Accounting Estimates and Judgments

The preparation of these financial statements requires management to make estimates and judgments and form assumptions that affect the reported amounts and other disclosures in these financial statements. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Critical accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities. Critical estimates used in the preparation of these financial statements include, among others, the provision for doubtful accounts receivable, the recoverable value of barter credits, determination of the net realizable value of inventory, and the inputs used in the valuations of stock options and warrants issued.

Significant accounting judgments made by management include their assessment of whether the Company can continue to operate as a going concern, management's assessment of the presentation of the barter credits between current and non-current and management's assessment of whether the Company would generate future taxable profit to utilize their non-capital losses

Financial Instruments

Financial assets and financial liabilities are recognized when the Corporation becomes party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial instruments classified as amortized costs or FVTOCI are included with the carrying amount of such instruments. Transaction costs that are directly attributable to the acquisition or

FTI Foodtech International Inc.

Notes to Financial Statements for the Period Ended December 31, 2023

(Unaudited) (Expressed in Canadian dollars)

issue of the financial instruments classified as fair value through profit and loss (FVTPL) are recognized immediately in the profit or loss within the statements of comprehensive income.

(a) Financial assets

The Corporation classifies its financial assets in the following measurement categories: those to be measured at amortized cost and those to be measured subsequently at fair value (either through other comprehensive income (FVTOCI), or through profit or loss (FVTPL)). The classification depends on the entity's business model for managing the financial assets and the contractual terms of cash flows.

Financial Assets at Amortized Cost

Financial assets that meet the following conditions are measured at amortized cost less impairment losses: the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash-flows; the contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and the financial asset was not acquired principally for the purpose of selling in the near term or for short-term profit making (held-for-trading).

Financial Assets at Fair Value Through Profit or Loss (FVTPL)

All other financial assets, except equity and debt instruments as described below, are remeasured at fair value and classified as fair value through profit or loss. The gains or losses, if any, arising on remeasurement of FVTPL are recognized in profit or loss within the statements of comprehensive income.

The method of measurement of instruments in debt instruments will depend on the business model in which the instrument is held. For instruments in equity instruments, it will depend on whether the Corporation has made an irrevocable election at the time of initial recognition to account for the equity instrument at fair value through other comprehensive income (FVTOCI). Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

(b) Financial Liabilities

Financial liabilities are classified as FVTPL when the financial liability is either held-for-trading or is designated at FVTPL. Financial liabilities at FVTPL are remeasured in subsequent reporting periods at fair value. Any gains or losses arising on remeasurement of held for trading financial liabilities are recognized in profit or loss within the statements of comprehensive income. Such gains or losses recognized in profit or loss includes any interest paid on the financial liabilities. Financial liabilities that are not held for trading and are not designated as FVTPL are measured at amortized cost. The carrying amounts of financial liabilities that are measured at amortized cost are determined based on the effective interest rate method. The effective interest method is a method of calculating the amortized cost of a financial liability (or financial asset) and of allocating interest expense (or income) over the expected life of the financial liability (or financial asset). All financial assets and financial liabilities held by the Corporation are measured at amortized cost.

Impairment

The Corporation assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the Corporation applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

(c) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

4. RECENT ACCOUNTING PRONOUNCEMENTS

FTI Foodtech International Inc.

Notes to Financial Statements for the Period Ended December 31, 2023

(Unaudited) (Expressed in Canadian dollars)

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee ("IFRIC") that are mandatory for accounting periods after April 1, 2022 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded from the list below.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

The amendment clarifies the requirements relating to determining if a liability should be presented as current or noncurrent in the statements of financial position. Under the new requirement, the assessment of whether a liability is presented as current or non-current is based on the contractual arrangements in place as at the reporting date and does not impact the amount or timing of recognition. The amendment applies retrospectively for annual reporting periods beginning on or after January 1, 2023. The Company is currently evaluating the potential impact of these amendments on the Company's consolidated financial statements.

Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendment narrowed the scope of certain recognition exemptions so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. An entity applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented. It also, at the beginning of the earliest comparative period presented, recognizes deferred tax for all temporary differences related to leases and decommissioning obligations and recognizes the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date. The amendment is effective for annual periods beginning on or after January 1, 2023 with early application permitted. The Company is currently evaluating the potential impact of these amendments on the Company's consolidated financial statements.

RECENT ACCOUNTING PRONOUNCEMENTS (Cont'd)

Definition of Accounting Estimates (Amendments to IAS 8)

On February 12, 2021, the IASB issued Definition of Accounting Estimates (Amendments to IAS 8). The amendments introduce a new definition for accounting estimates, clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates fair value through profit or loss ("FVTPL"). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. The standard eliminates the previous IAS 39 categories of held to maturity, loans and receivables, and available for sale. IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' ("ECL") model. The new impairment model by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for annual periods beginning on or after January 1, 2023. Early adoption is permitted. The Company is currently evaluating the potential impact of these amendments on the Company's consolidated financial statements.

Disclosure initiative – Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)

On February 12, 2021, the IASB issued Disclosure Initiative – Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements). The amendments help companies provide useful accounting policy disclosures. The key amendments include:

- requiring companies to disclose their material accounting policies rather than their significant accounting policies;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and,
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The amendments are effective for annual periods beginning on or after January 1, 2023. Early adoption is permitted. The Company is currently evaluating the potential impact of these amendments on the Company's consolidated financial statements.

5. BARTER CREDITS

FTI Foodtech International Inc.

Notes to Financial Statements for the Period Ended December 31, 2023

(Unaudited) (Expressed in Canadian dollars)

Barter credits are available through the Barter Exchanges in the amount of \$434,995 (Q3-F'23 \$362,416) which are reflected net of a (recovery) impairment of (\$84,943) (Q3-F'23 \$112,366). The recovery (impairment) was recognized as the recoverable value of the barter credits was above/(below) the carrying amount of the barter credits. Barter credits that have been classified as current are based upon the expected use of barter credits within one year using historical information.

The barter credits can only be realized through the purchase of goods and services through these Barter Exchanges. Management is satisfied that a sufficient value of transactions will be completed through the Barter Exchanges to realize the value of this balance in the future.

6. SHARE CAPITAL

(a) Authorized: Unlimited number of common shares without par value and preferred shares without par value

(b) Stock options

The Company's Incentive Stock Option Plan, as amended by the Company's Board of Directors and approved by the TSX Venture Exchange in August 2008, is intended to attract, retain and motivate officers, salaried employees and directors who will make important contributions to the success of the Company. The right to exercise an award of options typically vests at the grant date unless otherwise determined by the Board of Directors at the time of grant. Options must be exercised during a period established by the option agreement. The aggregate number of common shares that may be reserved for issuance pursuant to options shall not exceed 10% of the outstanding common shares at the time of the granting of an option, less the aggregate number of common shares then reserved for issuance pursuant to any other share compensation arrangement.

On May 18, 2018 the Company granted four Directors a total of 700,000 options exercisable at \$0.20 per option, with an expiry date of May 18, 2021.

On February 17, 2021 the Company granted four Directors a total of 700,000 options exercisable at \$0.15 per option, with an expiry date of February 17, 2024.

The following table presents information concerning stock options granted by the Company:

	Number of Options	Weighted Average Exercise Price
Balance outstanding – March 31, 2021	1,100,000	\$0.20
Exercised during the period		
Granted during the period		
Expired during the period	400,000	\$0.20
Balance outstanding – March 31, 2022	700,000	\$0.15
Balance outstanding – March 31, 2023	700,000	\$0.15
Balance outstanding – December 31, 2023	700,000	\$0.15

The following table summarizes information about the Company's outstanding stock options at December 31, 2023:

Number of Options	Exercisable	Weighted Average Exercise Price	Expiry Date
700,000	700,000	\$ 0.15	February 17, 2024

No stock options were granted during the period ended December 31, 2023.

The following table presents information concerning warrants granted by the Company:

Outstanding Warrants at December 31, 2023 are as follows:

FTI Foodtech International Inc.

Notes to Financial Statements for the Period Ended December 31, 2023 (Unaudited) (Expressed in Canadian dollars)

Warrants Outstanding	Exercise Price per Share	Expiry Date
1,000,000	\$0.40	November 30, 2023
Outstanding at Beginning of Period		1,000,000
Issued During Period		0
Expired During Period		1,000,000
Outstanding at End of Period		0
Outstanding as of the date of this financial statement		0

The Company has not issued or retracted any shares, options or warrants between December 31, 2023 and the date of this financial statement.

(c) Share based payment

There were no share-based payments made during the period

(d) Share Issuance

There were no shares issued during this period.

7. RELATED PARTY TRANSACTIONS

All transactions with related parties have occurred in the normal course of operations. The Company's related party transactions are as follows:

- (a) Advances from a related company are amounts due to a company with common control. These amounts are unsecured, non-interest bearing and due on demand. At December 31, 2023, the Company owed this corporation \$346,934 (Q3-F'23 \$288,706).

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed to financial risks arising from its financial instruments. The financial risks include market risk relating to interest rates and foreign exchange rates, credit risk and liquidity risk.

Fair Value

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values. The fair values of cash, accounts receivable, accounts payable and accrued liabilities, and advances from a related company approximate their carrying values due to the short-term maturity of these instruments.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rate. The Company manages interest rate risk by maintaining an investment policy that focuses primarily on preservation of capital and liquidity. At December 31, 2023 and 2022, the Company did not have any interest bearing financial assets or liabilities.

Currency Risk

The Company's functional currency is the Canadian dollar. All of the company's cash is denominated in Canadian dollars. All of the Company's purchases are transacted in Canadian dollars. There were no trade accounts receivable or accounts payable denominated in a foreign currency at period end. The Company is therefore not subject to any significant currency risks from operations.

Credit Risk

Credit risk is the risk of financial loss to the Company if a partner or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which potentially subject the Company to concentrations of credit risk consist of cash and accounts receivable (other than barter credits).

FTI Foodtech International Inc.

Notes to Financial Statements for the Period Ended December 31, 2023

(Unaudited) (Expressed in Canadian dollars)

The Company has deposited the cash with reputable financial institutions, from which management believes the risk of loss to be remote. The Company is exposed to credit risk with respect to its accounts receivable. As at December 31, 2023, the Company has net accounts receivable (other than barter credits) of \$8,796 (F'2022 \$nil) that are over 90 days old with \$nil allowance for doubtful accounts (2022 \$nil). The carrying value of these instruments represents the Company's maximum exposure to credit risk.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company actively manages its liquidity through cash and equity management strategies. Such strategies include continuously monitoring forecasted and actual cash flows from operating, financing and investing activities, seeking to obtain credit under banking arrangements and opportunities to issue additional Company shares. The financial obligations of the Company mature in one year or less.

9. CAPITAL MANAGEMENT

The Company's capital structure is comprised of shareholders' deficiency including working capital. The Company's objectives when managing its capital is to maintain a conservative capital structure which will allow the Company to ensure that it has sufficient cash resources to fund ongoing operations and provide financial flexibility to execute on strategic opportunities. The Company manages its capital structure and makes adjustments according to market conditions to maintain flexibility while achieving the objectives stated above. To manage the capital structure, the Company may adjust capital spending, issue new shares or issue new debt. There were no changes to the Company's approach to capital management during the year.

10. SUBSEQUENT EVENTS

The company has continues to operate in the liquidation and surplus good sector and the barter industry while also looking for new opportunities for the company.