



FTI FOODTECH INTERNATIONAL INC.

Condensed Interim Financial Statements (Unaudited)

For the nine months ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

Notice of No Auditors Review of Condensed interim financial Statements

Under National Instrument 51-102, if an auditor has not performed a review of condensed interim financial statements, they must be accompanied by a notice indicating that the Condensed interim financial statements have not been reviewed by an auditor.

The accompanying condensed interim financial statements (unaudited) of FTI FoodTech International Inc. (the “Company”) have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company.

The Company’s independent auditors have not performed a review of these unaudited condensed interim financial statements in accordance with the standards established by the Chartered Professional Accountants (CPA) of Canada for a review of condensed interim financial statements by an entity’s auditors.

FTI FOODTECH INTERNATIONAL INC.

FINANCIAL STATEMENTS

For the nine months ended December 31, 2025 and 2024
(Unaudited - Expressed in Canadian dollars)

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FTI FOODTECH INTERNATIONAL INC.**Statements of Financial Position**

As at December 31, 2025 and March 31, 2025

(Unaudited - Expressed in Canadian dollars)

	Note	December 31 2025	March 31, 2025
		\$	\$
Assets			
Current			
Cash (overdraft)		(15,805)	4,118
Accounts receivables	13	16,816	15,732
Barter credits	3 & 5	167,622	151,243
Prepaid expenses and deposits	6	147,216	138,175
Inventories		6,016	6,016
Other receivables		34,913	3,000
		356,778	318,284
Non-current barter credits		12,218	31,025
Advance to related companies - non current		(56,167)	—
Total Assets		312,829	349,309
Liabilities			
Current			
Accounts payable and accrued liabilities		409,026	123,481
Short term loan	8	24,125	25,875
Advance from shareholder	10 (b)	83,506	81,988
		516,657	231,344
Advance from related companies - non current	10 (a)	64,814	50,667
Total Liabilities		581,471	282,011
Shareholders' equity			
Share capital	9	6,132,399	5,556,562
Warrants	9	672,178	129,690
Accumulated deficit		(7,073,219)	(5,618,954)
Total Shareholder's equity		(268,642)	67,298
Total Liabilities & Shareholder Equity		312,829	349,309

Approved by the Board

"Stephen Brown" Director

"William Hullah" Director

The accompanying notes are an integral part of these financial statements

FTI FOODTECH INTERNATIONAL INC.
Statements of Operations and Comprehensive Loss
 Nine months ended December 31, 2025 and 2024
 (Unaudited - Expressed in Canadian dollars)

	Note	Three months ended		Nine months ended	
		December 31 2025	December 31 2024	December 31 2025	December 31 2024
		\$	\$	\$	\$
Revenue					
Product sales, net of returns		—	20,157	1,175	52,171
Cost of product sales	11	1,606	19,414	35,675	33,931
		(1,606)	743	(34,500)	18,240
Expenses					
General and administrative	12	185,125	68,076	1,419,765	119,499
		185,125	68,076	1,419,765	119,499
Loss before income taxes		(186,731)	(67,333)	(1,454,265)	(101,259)
Income tax (expense) recovery		—	—	—	—
Net loss		(186,731)	(67,333)	(1,454,265)	(101,259)
Net loss per share					
Basic and diluted		(0.01)	(0.00)	(0.07)	(0.01)
Weighted average number of shares outstanding - basic		20,981,363	14,968,863	20,131,771	14,968,863

The accompanying notes are an integral part of these financial statements

FTI FOODTECH INTERNATIONAL INC.

Statements of Changes in Equity

Nine months ended December 31, 2025 and 2024

(Unaudited - Expressed in Canadian dollars)

	Share capital Number of shares	Share capital Amount \$	Share option reserve \$	Warrants \$	Accumulated deficit \$	Total \$
Balance at March 31, 2024	14,968,863	5,388,883	—	—	(5,316,257)	72,626
Issued during the period	—	—	—	—	—	—
Expired during period	—	—	—	—	—	—
Net loss and comprehensive loss	—	—	—	—	(101,259)	(101,259)
Balance at December 31, 2024	14,968,863	5,388,883	—	—	(5,417,516)	(28,633)
Balance at March 31, 2025	17,268,863	5,556,562	—	129,690	(5,618,954)	67,298
Share issuance - private placement	6,012,500	1,202,500	—	—	—	1,202,500
Warrants issued	—	(543,667)	—	543,667	—	—
Share issuance cost	—	(46,118)	—	(38,057)	—	(84,175)
Finder warrants	—	(36,878)	—	36,878	—	—
Net loss and comprehensive loss (Restated)	—	—	—	—	(1,454,265)	(1,454,265)
Balance at December 31, 2025	23,281,363	6,132,399	—	672,178	(7,073,219)	(268,642)

The accompanying notes are an integral part of these financial statements

FTI FOODTECH INTERNATIONAL INC.**Statements of Cash Flows**

Nine months ended December 31, 2025 and 2024

(Unaudited - Expressed in Canadian dollars)

	December 31, 2025	December 31, 2024
	\$	\$
Operating activities		
Net loss for the period	(1,454,265)	(101,259)
Stock-based compensation	—	60,000
Interest accrued on short term loan	(1,750)	—
	(1,456,015)	(41,259)
Changes in non-cash operating items		
Accounts receivable	(1,084)	(11,404)
Accounts receivable - Barter	2,428	196,823
Prepaid expenses and deposits	(9,041)	—
Inventories	—	—
Accounts payable and accrued liabilities	285,545	8,510
	277,848	193,929
Cash used in operating activities	(1,178,167)	152,670
Financing Activities		
Proceeds from related company	14,147	—
Advances to related company	56,167	—
Advances from shareholder and related company	—	(145,394)
Repayment of short term loan	(50,000)	—
Proceeds from debt	50,000	—
Proceeds from private placement	1,086,412	—
Repayment of advances from shareholder	1,518	—
Cash provided by financing activities	1,158,244	(145,394)
Net change in cash during the year	(19,923)	7,276
Cash, beginning of the period	4,118	1,105
Cash, end of the period	(15,805)	8,381
Interest paid	—	—
Income taxes paid	—	—

The accompanying notes are an integral part of these financial statements

FTI FOODTECH INTERNATIONAL INC.

Notes to the Financial Statements

For the nine months ended December 31, 2025 and 2024

(Unaudited - Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND BASIS OF PREPARATION

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 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.

The company is focused on developing an innovative retail and barter e-commerce platform for products that address challenges and promote sustainability within the cosmetic, skincare, wellness, health, and industrial product industries. FTI is committed to delivering high-quality, reliable products and solutions that meet the evolving needs of its clients worldwide.

The condensed interim financial statements have been prepared under the assumption that the Company 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.

Basis of Preparation

The notes presented in these condensed interim financial statements include only significant events and transactions and are not fully inclusive of all matters normally disclosed in the annual audited financial statements; thus, these condensed interim financial statements are referred to as condensed. These condensed interim financial statements should be read in conjunction with the audited financial statements for the years ended March 31, 2025 and 2024.

These condensed interim financial statements for the nine months ended December 31, 2025 are expressed in Canadian dollars and follow the same accounting policies and methods of their application as set out in the audited financial statements for the years ended March 31, 2025 and 2024.

These condensed interim financial statements comply with International Accounting Standard 34, Interim Financial Reporting of the International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and reflect all adjustments which are necessary for a fair statement of the results for the interim periods presented.

The Board of Directors approved these condensed interim financial statements on March 2, 2026.

The Company's functional and presentation currency is the Canadian dollar.

For comparative purposes, the Company has reclassified certain immaterial items to conform with the current period presentation.

FTI FOODTECH INTERNATIONAL INC.

Notes to the Financial Statements

For the nine months ended December 31, 2025 and 2024

(Unaudited - Expressed in Canadian dollars)

2. GOING CONCERN

These condensed interim 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, 2025, the Company reported a net loss of \$1,454,265 (2024 - net loss of \$101,259) and has an accumulated deficit of \$7,073,219 (March 31, 2025 - \$5,618,954) and a working capital deficit of \$159,879 (March 31, 2025 – working capital of \$86,940).

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 condensed interim 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. MATERIAL ACCOUNTING POLICY INFORMATION

Barter Credits (Non-Cash Assets)

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. Barter credits are not considered cash or cash equivalents because they are not readily convertible to actual cash and do not meet the liquidity requirements for classification as cash or cash equivalents. As such, barter credits have been classified as non-cash assets under Other Current & Non-Current Assets.

Upon evaluation, management has determined that the barter credits represent non-monetary, non-physical assets, with an infinite life, that fall within the definition of intangible assets under IAS 38. The credits are identifiable, as they arise from enforceable contractual or legal rights, and the entity has control over the future economic benefits expected to flow from their use or exchange.

These barter credits held by the Company for operational purposes and can be used for future exchanges of goods and services within our established barter system. Barter credits are periodically reconciled as part of the Company's internal controls. The value of barter transactions is initially recorded at the fair market value at the time of exchange, and subsequently carried at amortized cost less impairment, if any.

Barter transactions are handled in accordance with the Company's internal controls policy to ensure accurate reporting and reconciliation. These assets are not part of the Company's cash equivalents or liquid resources available for immediate use in daily operations.

FTI FOODTECH INTERNATIONAL INC.

Notes to the Financial Statements

For the nine months ended December 31, 2025 and 2024

(Unaudited - Expressed in Canadian dollars)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Barter Credits (Non-Cash Assets) (continued)

In addition, the Company has a standing arrangement with a related party, under which outstanding balances may be settled through the transfer of barter credits. Both entities operate within the same barter network and have a consistent history of using barter credits as a medium of exchange for commercial transactions. Management considers this intercompany settlement mechanism to be in line with the classification as non-cash assets.

Barter credits are classified as:

- Current assets if expected to be utilized within 12 months, or
- Non-current assets if expected to be utilized beyond 12 months, based on historical usage patterns and management's expectations.

At the end of each fiscal year, the Company reviews its barter credit balances for impairment. As part of this review, management may record journal entries, adjustments, or reclassifications to the provision for barter account, which serves as an impairment reserve. These entries may reflect the write-down of credits deemed obsolete or non-recoverable, or the recovery of amounts previously written down.

In some cases, adjustments also relate to barter credits used to settle balances with related parties, including Cardinal Biologicals Ltd. or William Hullah, a shareholder of the Company. The Company notes that year-over-year changes in impairment-related adjustments have not been material and reflect a consistent approach to credit valuation and recoverability.

Barter credits are available through the Barter Exchanges in the amount of \$167,622 (March 31, 2025 - \$182,268) which are reflected net of a (recovery) impairment. 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.

Regulatory Treatment and presentation considerations

For tax reporting purposes, the Canada Revenue Agency (CRA) treats barter transactions as economically equivalent to cash transactions. According to CRA guidance, businesses must report barter income based on the fair market value of goods or services received, and for financial reporting purposes, barter credit are not considered as cash or cash equivalents due to restricted liquidity. This reinforces the commercial legitimacy and taxable nature of barter activity.

FTI FOODTECH INTERNATIONAL INC.

Notes to the Financial Statements

For the nine months ended December 31, 2025 and 2024

(Unaudited - Expressed in Canadian dollars)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Intangible assets

Finite-lived intangible assets are recorded at cost less accumulated amortization and accumulated impairment losses.

The estimated useful life and amortization method are reviewed at the end of each reporting year, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives are measured at cost, less any accumulated impairment and are not amortized.

Impairment of Non-Financial Assets

The Company reviews the carrying amounts of its non-financial assets, when events or changes in circumstances indicate the assets may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit ("CGU") to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal ("FVLCD") and value in use ("VIU"). In assessing VIU, the estimated future cash flows to be derived from continuing use of the asset or CGU are discounted to their present value using a pre-tax discount rate that reflects the time value of money and the risks specific to the asset. FVLCD is the price that would be received to sell an asset or CGU in an orderly transaction between market participants at the measurement date, less the costs of disposal. When a binding sale agreement is not available, FVLCD is estimated using a discounted cash flow approach with inputs and assumptions consistent with those of a market participant. If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount.

An impairment loss is recognized immediately in net income. Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset or CGU's recoverable amount since the last impairment loss was recognized. An impairment loss in respect of goodwill is not reversed.

FTI FOODTECH INTERNATIONAL INC.

Notes to the Financial Statements

For the nine months ended December 31, 2025 and 2024

(Unaudited - Expressed in Canadian dollars)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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.

FTI FOODTECH INTERNATIONAL INC.

Notes to the Financial Statements

For the nine months ended December 31, 2025 and 2024

(Unaudited - Expressed in Canadian dollars)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Earnings (Loss) Per Share

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 period ended December 31, 2025, 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.

FTI FOODTECH INTERNATIONAL INC.

Notes to the Financial Statements

For the nine months ended December 31, 2025 and 2024

(Unaudited - Expressed in Canadian dollars)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Accounting Estimates and Judgments (continued)

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 Company becomes party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are initially measured at fair value. Transactions 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 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 Company 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.

FTI FOODTECH INTERNATIONAL INC.

Notes to the Financial Statements

For the nine months ended December 31, 2025 and 2024

(Unaudited - Expressed in Canadian dollars)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial Instruments (continued)

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 Company 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 Company are measured at amortized cost.

The Company has implemented the following classifications:

Cash and accounts receivable is classified as subsequently measured at amortized cost.

Accounts payable and accrued liabilities, short term loan and advances from related party are classified as subsequently measured at amortized cost.

FTI FOODTECH INTERNATIONAL INC.

Notes to the Financial Statements

For the nine months ended December 31, 2025 and 2024

(Unaudited - Expressed in Canadian dollars)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial Instruments (continued)

Impairment

The Company 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 accounts receivables only, the Company 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

Change in Accounting Policies

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after January 1, 2025. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. The adoption of these standards did not have a retrospective impact on any financial statement balances as at that date.

IAS 21 Amendments – Lack of Exchangeability

In August 2023, the IASB issued amendments to IAS 21 – The Effects of Changes in Foreign Exchange Rates in relation to Lack of Exchangeability. The amendments require entities to apply a consistent approach in assessing whether a currency can be exchanged into another currency, and in determining the exchange rate to use and the disclosures to provide when it cannot. These amendments are effective for annual reporting periods beginning on or after January 1, 2025, with early adoption permitted. The Company assessed the impact of the amendment and determined there to be no material impact on the financial statements.

FTI FOODTECH INTERNATIONAL INC.

Notes to the Financial Statements

For the nine months ended December 31, 2025 and 2024

(Unaudited - Expressed in Canadian dollars)

4. RECENT ACCOUNTING PRONOUNCEMENTS (continued)

Change in Accounting Policies (continued)

Canadian Sustainability Reporting Standards (CSDS 1 and CSDS 2)

In December 2024, the Canadian Sustainability Standards Board (“CSSB”), released the final versions of the Canadian Sustainability Reporting Standards, CSDS 1 and CSDS 2 (collectively, the “Canadian Standards”). Currently the adoption of the Canadian Standards remains voluntary. These standards closely align with the ISSB’s international sustainability standards IFRS S1 and IFRS S2, but include certain differences and are applicable from January 1, 2025. Currently the adoption of the Canadian Standards remains voluntary, while the Canadian Securities Administrators are currently evaluating how and to what extent they will be incorporated into future reporting requirements. The Company assessed the impact of the amendment and determined there to be no material impact on the financial statements.

Recent Accounting Pronouncements

The Company has reviewed recent accounting pronouncements which are not yet effective and notes none that are expected to have a material impact on the Company's financial statements.

5. BARTER CREDITS

Barter credits are available through the Barter Exchange in the amount of \$167,622 (March 31, 2025 - \$182,268) which are reflected net of impairment. The 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. PREPAID EXPENSES AND DEPOSITS

	December 31 2025	March 31, 2025
	\$	\$
Prepaid expenses	110,458	110,458
Security deposits	36,758	27,717
Total Prepaid Expenses and Deposits	147,216	138,175

FTI FOODTECH INTERNATIONAL INC.

Notes to the Financial Statements

For the nine months ended December 31, 2025 and 2024

(Unaudited - Expressed in Canadian dollars)

6. PREPAID EXPENSES AND DEPOSITS (continued)

As at December 31, 2025, the Company had prepaid expenses totaling \$147,216, representing amounts paid in advance for goods and services to be received in future periods. These amounts will be expensed in the period to which they relate.

On November 1, 2024, the Company enter into an lease agreement for the premises located at 1390 – 320 Granville Street, Vancouver. The agreement is on month-to-month basis and the Company has paid \$41,990 as security deposit, which will be held by the landlord without any liability for interest, as security for the faithful performance of the lease agreement.

7. INTANGIBLE ASSETS

	December 31 2025	March 31, 2025
	\$	\$
Cost		
Balance, beginning of the year	66,000	—
Addition during the year	—	66,000
Balance, end of the period	66,000	66,000
Accumulated amortization and impairment		
Balance, beginning of the year	66,000	—
Impairment during they year	—	66,000
Balance, end of the period	66,000	66,000
Net book value, end of the period	—	—

Under the terms of the Share Purchase Agreement dated February 27, 2025 with Rejuven8 Cosmetics Inc., the Company issued 300,000 shares at \$0.22 per share, which was the market price on the agreement date, representing a total fair value of \$66,000, to acquire the intellectual property rights. This amount represents the fair value of the consideration transferred at the acquisition date.

The Company performed a recoverable amount assessment at acquisition date (day 1), in accordance with IAS 36, and concluded that the carrying amount of the IP exceeded its recoverable amount. Consequently, a day 1 impairment loss amounting to \$66,000 was recognized to write down the asset to its recoverable amount.

FTI FOODTECH INTERNATIONAL INC.

Notes to the Financial Statements

For the nine months ended December 31, 2025 and 2024

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8. SHORT TERM LOAN

On March 28, 2025, the Company entered into an agreement to borrow a sum of \$50,000, with interest payable on the unpaid principal at the rate of 15% per annum. The Company will arrange for 200,000 shares of FTI Foodtech International Inc. as an inducement for the lender to loan the money.

On May 12, 2025, the loan amount has been paid in full, and no shares were issued. Both parties agreed and the loan agreement has been cancelled with mutual understanding.

For the nine months ended December 31, 2025, the Company recognized interest expense \$1,750 (2024 - \$Nil).

9. SHARE CAPITAL

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

b. Share Issuance:

The shares issued during the nine months ended December 31, 2025 are as follows:

On May 7, 2025, the Company closed the first tranche of its previously announced non-brokered private placement, issuing:

2,100,000 common shares at \$0.20 per share for gross proceeds of \$420,000 (the "Offering"); and 3,912,500 units at \$0.20 per unit for gross proceeds of \$782,500 (the "Concurrent Offering"). Each unit consists of one common share and one share purchase warrant, exercisable at \$0.35 per share for a period of 60 months. The warrants are subject to accelerated expiry upon 15 days' notice if the Company's shares trade at or above \$0.60 on the TSX Venture Exchange for 10 consecutive trading days. The common shares and share purchase warrants were valued at \$658,833 and \$543,667 respectively, using the relative fair value method.

As at December 31, 2025, included in other receivables is \$31,913 related to an outstanding share subscription from the private placement, of which the Company expects to receive prior to the end of the fiscal year.

In connection with these offerings, the Company paid aggregate finder's fees of \$84,175 (allocated to shares \$46,118 and warrants \$38,057 respectively) and issued 420,875 Finder's Warrants. Each Finder's Warrant is exercisable at \$0.20 for a period of 12 months.

Net proceeds from the Offering and Concurrent Offering will be used to support the development of business operations, including a retail and barter e-commerce platform, planned product acquisitions, market research, product development, and general working capital.

FTI FOODTECH INTERNATIONAL INC.

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For the nine months ended December 31, 2025 and 2024

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9. SHARE CAPITAL (continued)

b. Share Issuance (continued):

The stand-alone value of share purchase warrants was valued using the Black-Scholes valuation model with the following assumptions: expected life of 5.0 years, risk-free rate of 2.70%, dividend yield of 0% and volatility of 245.98%.

The stand-alone value of finder warrants was valued using the Black-Scholes valuation model with the following assumptions: expected life of 1 year, risk-free rate of 2.70%, dividend yield of 0% and volatility of 109.37%.

The shares issued during the year ended March 31, 2025 are as follows:

On February 11, 2025, the Company completed a private placement through issuance of 2,000,000 units at \$0.12 per unit for proceeds received of \$240,000. Each unit is comprised of one common share and one share purchase warrant, with each full share purchase warrant exercisable for one common share at \$0.16 per share until February 10, 2027. The common shares and share purchase warrants were valued at \$131,169 and \$108,831 respectively, using the relative fair value method.

As at December 31, 2025, included in other receivables is \$3,000 related to an outstanding share subscription from the private placement, of which the Company expects to receive prior to the end of the fiscal year.

In connection with private placement, the company incurred share issuance cost of \$8,631 (allocated to shares \$4,717 and warrants \$3,914 respectively) and issued 141,650 broker warrants valued at \$24,773. Each broker warrant is exercisable for one common share at \$0.16 per share until August 11, 2025.

The stand-alone value of share purchase warrants was valued using the Black-Scholes valuation model with the following assumptions: expected life of 2.0 years, risk-free rate of 2.70%, dividend yield of 0% and volatility of 172.94%.

The stand-alone value of broker warrants was valued using the Black-Scholes valuation model with the following assumptions: expected life of 0.5 years, risk-free rate of 2.70%, dividend yield of 0% and volatility of 245.98%.

On February 27, 2025, the Company issued shares of 300,000 at fair value of \$0.22 per share (Refer note 7).

FTI FOODTECH INTERNATIONAL INC.

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9. SHARE CAPITAL (continued)

c. 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 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. These options were not exercised and were expired at year end.

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

	Number of Options	Weighted Average Exercise Price
Balance outstanding - March 31, 2023	500,000	\$ 0.15
Expired during the year	500,000	\$ 0.15
Balance outstanding - March 31, 2024, March 31, 2025 and December 31, 2025	—	—

No stock options were granted during the nine months ended December 31, 2025.

There were no share-based payments made during the nine months ended December 31, 2025.

d. Warrants

On November 30, 2021, the Company closed a non-brokered offering of 1,000,000 units of the Issuer, (the "Units"), at a price of \$0.10 per Unit. Each Unit is comprised of one Common Share and one common share purchase warrant (a "Warrant"), each Warrant being exercisable to acquire one Common Share at a price of \$0.40 per Common Share for a period of one (1) year following the closing date of the private placement. The Board of Directors and the Toronto Stock Exchange – Venture has approved the extension of the expiration date of the 100,000 warrants until November 30, 2023. On November 30, 2023, 1,000,000 warrants expired and there were no outstanding warrants as of March 31, 2024.

FTI FOODTECH INTERNATIONAL INC.

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9. SHARE CAPITAL (continued)

d. Warrants (continued)

On February 11, 2025, the Company completed a private placement through issuance of 2,000,000 units. Each unit is comprised of one common share and one share purchase warrant, with each full share purchase warrant exercisable for one common share at \$0.16 per share until February 10, 2027.

In connection with private placement, the company issued 141,650 broker warrants. Each broker warrant is exercisable for one common share at \$0.16 per share until August 11, 2025.

On May 7, 2025, the Company closed the first tranche of its non-brokered private placement through issuance of 6,012,500 units. Each unit is comprised of one common share and one share purchase warrant, with each full share purchase warrant exercisable for one common share at \$0.35 per share until May 6, 2030.

In connection with private placement, the Company issued 420,875 Finder's Warrants. Each Finder's Warrant is exercisable at \$0.20 per share until May 6, 2026.

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

Outstanding warrants at December 31, 2025, are as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance outstanding - March 31, 2024	—	—
Addition during the year	2,141,650	\$ 0.16
Balance outstanding - March 31, 2025	2,141,650	\$ 0.16
Addition during the year - private placement	3,912,500	\$ 0.35
Addition during the year - finder warrants	420,875	\$ 0.20
Balance outstanding - December 31, 2025	6,475,025	\$ 0.28

FTI FOODTECH INTERNATIONAL INC.

Notes to the Financial Statements

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(Unaudited - Expressed in Canadian dollars)

10. 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) Key management personnel are those individuals who have responsibility for planning, directing, and controlling the activities of the Company. FTI considers its President and Vice President to be the members of key management, who are also shareholders and directors of the Company.
- (b) Advances from a related company, Cardinal Biologicals Ltd., are amounts due to a company with common control. These amounts are unsecured, non-interest bearing and had no specific terms of repayment. At December 31, 2025, the Company owed this corporation \$64,106 (March 31, 2025 - \$50,667). Cardinal Biologicals Ltd. have waived their right to demand payment.
- (c) At December 31, 2025, the Company owes a shareholder, William Hullah, \$82,980 (March 31, 2025 - \$81,988). These amounts are unsecured, non-interest bearing and due on demand.
- (d) At December 31, 2025, the Company identified its CEO, Stephen Brown, and two wholly owned companies, Portofino Cosmetic Inc. ("Portofino"), and Criteria Management Ltd. ("Criteria") as related parties. The Company has signed lease and expense reimbursement agreements with Portofino and Criteria for use of office space and shared operating costs related to the lease, leasehold improvements, utility costs, and shared resources for office and administration staff.

As at December 31, 2025, the Company had the following balances outstanding:

- \$36,242 due from Criteria; and
- \$24,108 due to Portofino.

During the nine months ended December 31, 2025, the Company incurred the following transactions related to Stephen Brown, Portofino, and Criteria:

- \$50,000 of salaries & wages to Stephen Brown;
- \$228,703 of salaries & wages to Criteria;
- \$81,702 of rent expenses to Criteria;
- \$48,747 of rent expenses to Portofino;
- \$48,000 of legal and audit fees to Criteria; and
- \$7,257 of legal and audit fees to Portofino.

During the three months ended December 31, 2025, the Company incurred the following transactions related to Stephen Brown, Portofino, and Criteria:

- \$75,620 of salaries & wages to Criteria; and
- \$16,337 of rent expenses to Portofino.

FTI FOODTECH INTERNATIONAL INC.**Notes to the Financial Statements**

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(Unaudited - Expressed in Canadian dollars)

11. COST OF SALES

Cost of Sales in detail:

	Three months ended		Nine months ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	\$	\$	\$	\$
Purchase - resale items	938	19,414	34,971	33,931
Freight & Shipping	499	—	535	—
Supplies and materials	22	—	22	—
Other Costs	147	—	147	—
Total Cost of Sales	1,606	19,414	35,675	33,931

FTI FOODTECH INTERNATIONAL INC.**Notes to the Financial Statements**

For the nine months ended December 31, 2025 and 2024

(Unaudited - Expressed in Canadian dollars)

12. GENERAL AND ADMINISTRATIVE EXPENSES

General and Administrative Expenses in detail:

	Three months ended		Nine months ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	\$	\$	\$	\$
General Expenses				
Salaries & Wages	95,620	—	278,703	—
Advertising	4,856	7,944	92,221	11,882
Barter Charges	—	—	—	186
Bank Charges	692	70	2,548	367
Meal, Travel, etc.	236	239	41,668	814
Office and General	1,194	3,561	72,756	9,874
Telephone	226	530	349	1,548
Association Fees	5,290	659	10,956	1,901
Rent Expenses	16,337	—	168,614	—
Repair & Maintenance Expenses	—	—	(8,814)	—
Insurance Expenses	12,152	—	25,529	—
Utilities	3,164	—	5,116	—
Interest Expenses	—	—	(1,750)	—
Marketing	1,112	—	169,778	—
Public Company Expenses	—	—	—	—
Accounting Fees	7,770	6,433	57,760	21,948
Legal and Audit Fees	36,476	44,309	504,331	64,662
Shareholder Communications	—	4,329	—	6,317
Total General and Administrative	185,125	68,076	1,419,765	119,499

FTI FOODTECH INTERNATIONAL INC.

Notes to the Financial Statements

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13. 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.

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).

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, 2025, the Company has net accounts receivable (other than barter credits) of \$16,816 (2025 - \$15,732). The carrying value of these instruments represents the Company's maximum exposure to credit risk.

FTI FOODTECH INTERNATIONAL INC.

Notes to the Financial Statements

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13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

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.

14. 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.

15. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through March 2, 2026, which is the date the financial statements were issued and determined the following significant events to report.

Intellectual Property Acquisition

On March 19, 2025, the Company entered into agreements to acquire certain brands and intellectual properties. As a consideration, the Company agreed to issue 300,000 common shares.

Although this agreements were executed prior to December 31, 2025, the Company has not yet obtained control, as share issuance remains subject to regulatory clearance.

The transactions will be recognized in the financial statements once the shares are issued and legal ownership is transferred, in line with applicable accounting standards. As of December 31, 2025, final approval from the TSX Venture Exchange is still pending.

New Tariffs

The United States and Canadian governments levied new tariffs on imported goods. This has resulted in considerable economic uncertainty and market volatility. The company continues to monitor ongoing trade negotiations and assess the direct and indirect impacts on the Company's future financial results, if any, which are currently uncertain. The company is also assessing additional cost-saving measures to offset potential tariff-related expenses.