



**FTI FOODTECH INTERNATIONAL INC.**

**Management's Discussion & Analysis**

**For the nine months ended December 31, 2025 and 2024**

*(Expressed in Canadian Dollars, unless otherwise noted)*

March 2, 2026

## **Table of Contents**

MANAGEMENT’S RESPONSIBILITY .....	3
FORWARD LOOKING STATEMENTS .....	4
PART I – COMPANY HIGHLIGHTS.....	4
Date and Subject of Report.....	4
Highlights for the nine months ended December 31, 2025.....	5
Events Subsequent to December 31, 2025.....	5
BARTER EXCHANGES OVERVIEW .....	5
PART II – REVIEW OF FINANCIAL RESULTS .....	7
Overall Performance.....	7
Financing.....	7
Selected Quarterly Information .....	8
Summary of Quarterly Results .....	13
PART III – FINANCIAL CONDITION, LIQUIDITY AND CAPITAL STRUCTURE.....	14
Liquidity.....	14
Cash Flow Information.....	14
Barter Credits Classification as Current .....	15
Non-Current liabilities.....	15
Contractual Obligations.....	15
Transactions with Related Parties.....	15
Capital Structure.....	17
Off-Balance Sheet Arrangements .....	19
PART IV – ACCOUNTING POLICIES, ESTIMATES, AND INTERNAL CONTROLS .....	20
Significant Accounting Policies and Estimates .....	20

**FTI FOODTECH INTERNATIONAL INC.**  
**Management's Discussion & Analysis**  
**For the nine months ended December 31, 2025**

The following management's discussion and analysis ("MD&A") of the performance, financial condition and future prospects of FTI Foodtech International Inc. (which is also referred to herein as "FTI" or the "Company") should be read in conjunction with the Company's December 31, 2025, condensed interim financial statements. Further information relating to the Company may be accessed at [www.sedarplus.ca](http://www.sedarplus.ca). All financial data herein has been prepared in accordance with International Financial Reporting Standard ("IFRS") and all dollar amounts herein are in Canadian dollars unless otherwise specified. This MD&A is dated as of March 2, 2026.

The MD&A is intended to enable readers to gain an understanding of the Company's current results and financial position. To do so, we provide information and analysis comparing the results of operations and financial position for the current year and prior year, where applicable. We also provide analysis and commentary that we believe is required to assess the Company's future activities. Accordingly, certain sections of this report contain forward-looking statements based on current plans and expectations. These forward-looking statements are affected by the risks and uncertainties that are discussed in this document on future prospects. Readers are cautioned that actual results could vary.

### **MANAGEMENT'S RESPONSIBILITY**

The Company's management is responsible for the preparation and presentation of the financial statements and the MD&A. This MD&A has been prepared in accordance with the requirements of securities regulators, including National Instrument 51-102 of the Canadian Securities Administrators. Additional information regarding the Company, including the latest Annual Information Form, is available on our website at [www.fticorp.ca](http://www.fticorp.ca) or through the SEDAR website at [www.sedarplus.ca](http://www.sedarplus.ca).

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates and judgements are sometimes necessary to make a determination of future value for certain assets or liabilities. Management believes such estimates and judgements have been based on careful assessments and have been properly reflected in the accompanying financial statements. Management maintains a system of internal controls to provide reasonable assurances that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information.

**FTI FOODTECH INTERNATIONAL INC.**  
**Management's Discussion & Analysis**  
**For the nine months ended December 31, 2025**

**FORWARD LOOKING STATEMENTS**

This MD&A may contain, without limitation, statements concerning possible or assumed future results preceded by, followed by or that include words such as “believes”, “expects”, “anticipates”, “estimates”, “intends”, “plans” and words of similar connotation, which would constitute forward-looking statements. Forward-looking statements are not guarantees of future performance. They involve risks and uncertainties that may cause actual performance or results to be materially different from those anticipated in these forward-looking statements. FTI Foodtech International Inc. is under no obligation to update any forward-looking statements contained herein should material facts change due to new information, future events or other factors except as required by law. These cautionary statements expressly qualify all forward-looking statements in the MD&A. This MD&A has been prepared based on information available as at March 2, 2026.

The forward-looking statements contained herein reflect Management's current views, but the assessments and assumptions upon which they are based may prove to be incorrect. Although Management believes that its underlying assessments and assumptions are reasonable based on currently available information, given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results.

These statements are made as of the date of this MD&A and, except as required by applicable law, we undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. Additionally, we undertake no obligation to comment on analyses, expectations or statements made by third parties in respect of us, our financial or operating results or our securities. All figures are in Canadian dollars except share and per share data unless otherwise noted.

**PART I – COMPANY HIGHLIGHTS**

**Date and Subject of Report**

The following is the Management's Discussion and Analysis of the results of operations and financial position of FTI Foodtech International Inc. at the nine months ended December 31, 2025, and to the date of this MD&A.

This MD&A should be read in conjunction with the condensed interim financial statements for the nine months ended December 31, 2025.

The Company reports its financial results in Canadian dollars and all references to \$ in this MD&A refer to the Canadian dollar. All financial information in this MD&A is derived from the Company's condensed interim financial statements for the nine months ended December 31, 2025 and 2024 are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

**FTI FOODTECH INTERNATIONAL INC.**  
**Management's Discussion & Analysis**  
**For the nine months ended December 31, 2025**

**Highlights for the nine months ended December 31, 2025**

Effective October 16, 2024, Stephen Brown was appointed as President / CEO and Director of the Company.

**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 March 2, 2026, 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.

**Events Subsequent to December 31, 2025**

None to disclose.

**BARTER EXCHANGES OVERVIEW**

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.

**Names of barter exchanges and members of exchanges:**

The barter exchanges, of which FTI is a member are: BarterPay, ITEX, TradeWins, Trade Business Exchange (TBE) and The Certificate Club, as well as many of their reciprocal exchanges in British Columbia and Manitoba. Exchange members are enlisted by exchange brokers. The brokers of the exchanges play a key role in screening members companies or individuals as reputable and ensuring that they have items that are in demand.

**FTI FOODTECH INTERNATIONAL INC.**  
**Management's Discussion & Analysis**  
**For the nine months ended December 31, 2025**

### **Credibility of barter exchanges and members**

The barter exchange can be local, national or international. The quality of the exchange depends on the quality of its members and the availability of the goods and services that the members require. For example, the array of items includes excess company inventories and capacities, office supplies, website services and bookkeeping services. Good exchanges are driven by members who actively participate in the barter world, both trading available items and requesting that a broker search for specific items of interest,. Members vary from large corporations, that will have a dedicated staff person(s) generating and controlling its barter sales, to small companies and individuals with a strong entrepreneurial spirit. Barter exchanges reciprocate with other barter exchanges, allowing their members to have access to a much wider array of goods and services. The risk of barter is not being able to find goods and services in your area that members can utilize. Consequently, the exchange trading volume can diminish substantially, leaving active traders with high balances of barter credits. Also noted, many barter exchange members frequently update/rotate/change their offerings (e.g. seasonally) to maximize appeal to fellow members, thus allowing the opportunity of reducing high balance barter credits for others.

### **Barter credits as part of barter exchange network**

The barter process (barter) is the trading of goods and services in exchange for barter credits. Companies and individuals become members of an established barter exchange where members' goods and services are showcased and sold for barter credits. In return, the members have the opportunity to purchase goods and services from other members of the exchange. The exchange keeps the records of all transactions and charges a fee of 5 or 6%, per transaction, for this service.

Barter credits in considered by Revenue Canada as equivalent to a Canadian dollar and is subject to all Canadian taxes, as per CRA IT490-Barter Transactions.

### **Counterparty performance determination**

Barter can increase sales, reduce expenses, fulfill business capacity and expand market horizons. However, as in all business ventures, there are risks in the barter world with membership in just one exchange. To reduce the risks, many members active in barter become members of several exchanges to trade their goods and services. Ongoing reviews are made of available goods and services, to access new/additional barter offerings and to ensure that a significant number of offerings match the company's needs.

**FTI FOODTECH INTERNATIONAL INC.**  
**Management's Discussion & Analysis**  
**For the nine months ended December 31, 2025**

**PART II – REVIEW OF FINANCIAL RESULTS**

**Overall Performance**

During the nine months ended December 31, 2025, FTI generated lower revenues than expected, as a significant portion of management's efforts were focused on capital raising activities and evaluating potential acquisition opportunities.

**Financing**

**Shares and Warrant Issuance**

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. Subsequent to the nine months ended December 31, 2025, the amounts have been noted as collected as these related to deductions of share issuance costs from the proceeds.

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.

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%.

**FTI FOODTECH INTERNATIONAL INC.**  
**Management's Discussion & Analysis**  
**For the nine months ended December 31, 2025**

**Stock Options**

No stock options were granted during the nine months ended December 31, 2025. All outstanding options expired during the year. Accordingly, there were no share-based payments recognized during the nine months ended December 31, 2025.

**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. (FTI) as an inducement for the lender to loan the money.

Additionally, 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.

**Advances from Related Companies**

During the nine months ended December 31, 2025, the Company received net advances of \$13,439 from Cardinal Biologicals Ltd., a related company. These advances were unsecured, non-interest-bearing and had no specific repayment terms.

**Advances from Shareholders**

During the nine months ended December 31, 2025, the Company received net advances of \$992 from shareholder William Hullah. These advances were unsecured, non-interest-bearing and repayable on demand.

**Selected Quarterly Information**

Below is a table which provides some selected quarterly information to provide an overall performance of the Company:

	December 31 2025	December 31 2024	December 31 2023
	\$	\$	\$
<b>Revenue</b>	<b>1,175</b>	52,171	80,386
<b>Net Income (Loss)</b>	<b>(1,454,265)</b>	(101,259)	(31,834)
<b>Net Income (Loss) per Share</b>	<b>(0.07)</b>	(0.007)	(0.002)
<b>Total Assets</b>	<b>312,829</b>	258,398	457,404
<b>Long Term Debt</b>	<b>64,814</b>	183,650	346,934
<b>Cash Dividends Declared per Share</b>	<b>Nil</b>	Nil	Nil

**FTI FOODTECH INTERNATIONAL INC.**  
**Management's Discussion & Analysis**  
**For the nine months ended December 31, 2025**

## Results of Operations

### Revenues

Revenue for the nine months ended December 31, 2025 was \$1,175, a 98% decrease compared to \$52,171 in the prior period. The decline was primarily due to significantly lower sales volumes as the Company underwent a change in management and shifted its focus toward restructuring operations and pursuing new opportunities within the surplus goods industry. Cost of product sales increased by 5% to \$35,675 from \$33,931 in 2024, as fixed and overhead costs were spread over materially lower sales levels and as the Company incurred additional costs to support future growth. Consequently, the Company reported a negative gross profit of (\$34,500), compared to a gross profit of \$18,240 in the prior year, resulting in a substantial decline in gross margin. Earnings per share remained \$Nil for both periods, reflecting the Company's early-stage operational status. Management expects improvements in revenue and margin performance as commercialization activities scale and cost efficiencies are realized.

	December 31, 2025	December 31, 2024	Change	
	\$	\$	\$	%
<b>Revenue</b>				
Product sales, net of returns	1,175	52,171	(50,996)	-98%
Cost of product sales	35,675	33,931	1,744	5%
<b>Gross Profit</b>	<b>(34,500)</b>	18,240	(52,740)	-289%
<b>Gross Profit Margin %</b>	<b>-2936%</b>	35%		
Expenses	1,419,765	119,499	1,300,266	1088%
Loss before income taxes	(1,454,265)	(101,259)	(1,353,006)	1336%
Income tax (expense) recovery	—	—	—	0%
Net loss	(1,454,265)	(101,259)	(1,353,006)	1336%
<b>Net loss per share</b>				
Basic and diluted	—	—	—	0%
Weighted average number of shares outstanding - basic	20,131,771	14,968,863	5,162,908	34.5%

Revenue for the three months ended December 31, 2025 was \$nil, a 100% decrease compared to \$20,157 in the prior period. The decline was primarily due to significantly lower sales volumes as the Company underwent a change in management and shifted its focus toward restructuring operations and pursuing new opportunities within the surplus goods industry. Cost of product sales increased to by 92% to \$1,606 from expenses of \$19,414 in 2024, as fixed and overhead costs were spread over materially lower sales levels and as the Company received a reimbursement of expenditures. Consequently, the Company reported a gross loss of \$1,606, compared to a gross profit of \$743 in the prior period, resulting in a substantial decline in gross margin as no sales were rendered during the period. Earnings per share remained \$Nil for both periods, reflecting the Company's early-stage operational status. Management expects improvements in revenue and margin performance as commercialization activities scale and cost efficiencies are realized.

**FTI FOODTECH INTERNATIONAL INC.**  
**Management's Discussion & Analysis**  
**For the nine months ended December 31, 2025**

	December 31, 2025	December 31, 2024	Change	
	\$	\$	\$	%
<b>Revenue</b>				
Product sales, net of returns	—	20,157	(20,157)	-100%
Cost of product sales	1,606	19,414	(17,808)	-92%
<b>Gross Profit</b>	<b>(1,606)</b>	743	(2,349)	-316%
<b>Gross Profit Margin %</b>	—	4%		
Expenses	185,125	68,076	117,049	172%
Loss before income taxes	(186,731)	(67,333)	(119,398)	177%
Income tax (expense) recovery	—	—	—	0%
Net loss	(186,731)	(67,333)	(119,398)	177%
<b>Net loss per share</b>				
Basic and diluted	—	—	—	0%
Weighted average number of shares outstanding - basic	20,981,363	14,968,863	6,012,500	40.2%

## Expenses

The expenses for the nine months ended December 31, 2025, and 2024 are compared in the table below:

	December 31, 2025	December 31, 2024	Change	
	\$	\$	\$	%
<b>Expenses</b>				
<b>General and administrative</b>				
Salaries & Wages	278,703	—	278,703	100%
Advertising	92,221	11,882	80,339	676%
Barter Charges	—	186	(186)	-100%
Bank Charges	2,548	367	2,181	594%
Meal, Travel, etc.	41,668	814	40,854	5022%
Office and General	72,756	9,874	62,882	637%
Telephone	349	1,548	(1,199)	-77%
Association Fees	10,956	1,901	9,055	100%
Rent and Lease Expenses	168,614	—	168,614	100%
Repair & Maintenance Expenses	(8,814)	—	(8,814)	100%
Insurance Expenses	25,529	—	25,529	100%
Utilities	5,116	—	5,116	100%
Marketing	169,778	—	169,778	100%
<b>Public Company Expenses</b>				
Accounting Fees	57,760	21,948	35,812	163%
Legal and Audit Fees	504,331	64,662	439,669	680%
Shareholder Communications	—	6,317	(6,317)	-100%
<b>Total General and Administrative</b>	<b>1,419,765</b>	119,499	1,300,266	1088%
<b>Barter credits write-down</b>	—	—	—	0%
<b>Total Expenses</b>	<b>1,419,765</b>	<b>119,499</b>	<b>1,300,266</b>	1088%

**FTI FOODTECH INTERNATIONAL INC.**  
**Management's Discussion & Analysis**  
**For the nine months ended December 31, 2025**

Total expenses for the nine months ended December 31, 2025, were \$1,419,765, an increase of \$1,300,266 or 1,088%, compared to \$119,499 for the nine months ended December 31, 2024. The significant increase primarily reflects the Company's shift from minimal operations in the prior period to more active business development during the current period, combined with transitional costs associated with a change in management and execution of the Company's revised strategic plan. The Company continues to focus on strengthening its position in the surplus goods industry while evaluating additional business opportunities to support long-term growth and diversification.

The most significant expense increase was in legal and audit fees, which rose by \$439,669 (680%). This increase was driven by heightened corporate governance, regulatory compliance activities, and costs associated with the private placement undertaken to secure funding for operational expansion and future initiatives. Marketing expenses increased by \$169,778, as the Company enhanced promotional efforts and market outreach to build its supplier and customer networks in the surplus goods sector. Rent and lease expenses increased by \$168,614, due to the leasing of new premises required to support expanded operational needs, including storage and administrative functions.

Additionally, office and general expenses increased by \$62,882, primarily reflecting higher research and development activities, technology improvements, and general administrative costs needed to support the implementation of the Company's revised operational framework. Salaries and wages increased by \$278,703, as the Company hired new personnel to support management transition, business expansion, and operational execution. Advertising expenses also increased by \$80,339, resulting from greater investment in promotional campaigns targeted at driving market visibility and sales channels.

Management anticipates that some of these cost increases—particularly those related to compliance, infrastructure, and staffing—represent non-recurring or front-loaded investments aimed at positioning the Company for future revenue generation. Expense levels may remain elevated in the near term as the Company continues to seek opportunities for product line expansion, supply chain partnerships, and strategic acquisitions within and adjacent to the surplus goods industry. The Company continues to closely monitor spending relative to operational milestones to ensure support for sustainable growth.

**FTI FOODTECH INTERNATIONAL INC.**  
**Management's Discussion & Analysis**  
**For the nine months ended December 31, 2025**

	December 31, 2025	December 31, 2024	Change	
	\$	\$	\$	%
<b>Expenses</b>				
<b>General and administrative</b>				
Salaries & Wages	95,620	—	95,620	100%
Advertising	4,856	7,944	(3,088)	-39%
Bank Charges	692	70	622	889%
Meal, Travel, etc.	236	240	(4)	-2%
Office and General	1,194	3,561	(2,367)	-66%
Telephone	226	530	(304)	-57%
Association Fees	5,290	660	4,630	100%
Rent and Lease Expenses	16,337	—	16,337	100%
Repair & Maintenance Expenses	—	—	—	100%
Insurance Expenses	12,152	—	12,152	100%
Utilities	3,164	—	3,164	100%
Interest Expenses	—	—	—	100%
Marketing	1,112	—	1,112	100%
<b>Public Company Expenses</b>				
Accounting Fees	7,770	6,433	1,337	21%
Legal and Audit Fees	36,476	44,309	(7,833)	-18%
Shareholder Communications	—	4,329	(4,329)	-100%
<b>Total General and Administrative</b>	<b>185,125</b>	68,076	117,049	172%
<b>Barter credits write-down</b>	—	—	—	0%
<b>Total Expenses</b>	<b>185,125</b>	<b>68,076</b>	<b>117,049</b>	172%

Total expenses for the three months ended December 31, 2025, were \$185,125, an increase of \$117,049 or 172%, compared to \$68,076 for the three months ended December 31, 2024. The significant increase primarily reflects the Company's shift from minimal operations in the prior period to more active business development during the current period with a substantial increase in salaries and wages and legal and audit fees as the primary cost drivers.

Salaries and wages increased by \$95,620, as the Company hired new personnel to support management transition, business expansion, and operational execution.

**FTI FOODTECH INTERNATIONAL INC.**  
**Management's Discussion & Analysis**  
**For the nine months ended December 31, 2025**

**Summary of Quarterly Results**

The following information is provided for each of the 8 most recently completed quarters of the Company:

	Q4 31-Mar 2024	Q1 30-Jun 2024	Q2 30-Sep 2024	Q3 31-Dec 2024	Q4 31-Mar 2025	Q1 30-Jun 2025	Q2 30-Sep 2025	Q2 31-Dec 2025
						Restated	Restated	
Total revenue	\$ 38,608	\$ 25,447	\$ 6,567	\$ 20,157	\$ 4,626	\$ 1,175	\$ —	\$ —
Net Income (loss)								
Total:	12,003	3,380	(37,296)	(67,333)	(201,448)	(1,043,720)	(223,814)	<b>(186,731)</b>
Per Share:	0.001	—	(0.002)	(0.004)	(0.013)	(0.057)	(0.010)	<b>(0.072)</b>

The Company's quarterly results have fluctuated significantly over the past eight quarters, primarily due to variations in sales volumes and timing of customer orders. Revenues were strongest in Q3 and Q4 of fiscal 2024 (quarters ended December 31, 2023, and March 31, 2024), reflecting increased customer demand that resulted in positive net income during those periods.

In contrast, revenues declined sharply beginning in Q2 of fiscal 2025 and continued to weaken through Q4 of fiscal 2025, leading to consecutive quarterly net losses as fixed operating costs could not be fully absorbed. The largest loss was recorded in Q1 of fiscal 2026, primarily due to significantly reduced revenues and continued operating expenses.

In Q1 of fiscal 2026 (quarter ended June 30, 2025), revenues further decreased to \$1,175 compared to \$4,626 in the prior quarter and \$25,447 in Q1 of the prior fiscal year, resulting in a net loss of \$1,043,720. The substantial decline reflects limited sales activity and continued investment in corporate and administrative functions as the Company focused on strategic initiatives.

Overall, the trend over the past two fiscal years indicates declining revenues and increasing losses, with occasional quarterly improvements linked to one-time customer orders rather than sustained growth. No material seasonality has been identified in the Company's operations; however, quarterly results are expected to remain volatile as the Company continues to explore acquisition opportunities and evaluates potential restructuring of its operations to improve performance and profitability.

**FTI FOODTECH INTERNATIONAL INC.**  
**Management's Discussion & Analysis**  
**For the nine months ended December 31, 2025**

**PART III – FINANCIAL CONDITION, LIQUIDITY AND CAPITAL STRUCTURE**

**Liquidity**

The Company's objective when managing its liquidity and capital structure is to generate sufficient cash to fund the Company's operating and growth requirements.

The following table provides an overview of the Company's liquidity status of the Company:

	December 31, 2025	December 31, 2025
	\$	\$
Cash and cash equivalents	<b>(15,805)</b>	8,381
Current assets	<b>356,778</b>	106,560
Current liabilities	<b>516,657</b>	43,381
Working capital surplus (deficit)	<b>(159,879)</b>	63,179

At December 31, 2025, the Company had a net working capital deficit of approximately \$159,879 (March 31, 2025 – working capital of \$86,940).

As at December 31, 2025, included in other receivables is \$31,913 related to an outstanding share subscription from the private placements completed on May 7, 2025 and February 11, 2025, of which the Company has received and recognized as share issuance costs.

**Cash Flow Information**

The following table provides an overview of the Company's cash flow for the nine months ended December 31, 2025 and 2024.

	December 31, 2025	December 31, 2024
	\$	\$
Net cash provided by (used in):		
Operating activities	<b>(1,178,167)</b>	193,930
Financing activities	<b>1,158,244</b>	(145,394)

Cash flows from operating activities were (\$1,178,167) in 2025 compared to (\$152,670) in 2024. The cash used by the operating activities was mainly attributable to the significant increase in general and administrative expenses.

Cash flows from financing activities resulted in a net inflow of \$1,158,244 in 2025 compared to a net outflow of \$145,394 in 2024. The cash provided by financing activities was mainly attributable to the proceeds received from private placement.

**FTI FOODTECH INTERNATIONAL INC.**  
**Management's Discussion & Analysis**  
**For the nine months ended December 31, 2025**

**Barter Credits Classification as Current**

The Company had current barter credits of \$167,622 (March 31, 2025 - \$151,243), and non-current barter credits of \$12,218 (March 31, 2025 - \$31,025). The shift reflects a realignment in the expected timing of credit utilization. Management attributes the change to factors such as product turnover variability, seasonality in sales, and longer resale timelines for certain inventory categories. Barter credits originally intended for short-term use may be reclassified as non-current if market conditions delay conversion. This reclassification is reviewed periodically to align with evolving usage patterns and operational needs.

**Non-Current liabilities**

At December 31, 2025, the Company had \$64,814 of long-term debt owed to a related company. (March 31, 2025 - \$50,667) See Transactions with Related Parties.

**Contractual Obligations**

The Company has no other material contractual obligations, leases or commitments at December 31, 2025.

**Transactions with Related Parties**

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.

The related parties of Portofino Cosmetic Inc and Criteria Management Ltd, were existing companies that are 100% owned by Stephen Brown at the time he became CEO of FTI Foodtech

**FTI FOODTECH INTERNATIONAL INC.**  
**Management's Discussion & Analysis**  
**For the nine months ended December 31, 2025**

International Inc and they had existing offices (5 year leases) that become fully occupied by FTI Foodtech International, along with the back-office and sales staff that was required for FTI to launch and function within its industry.

These two companies still exist due to the Company not having the credit to qualify for the leases. Accordingly, the Company continues to reimburse these companies for overhead costs and other cost directly attributed to the operation of FTI. These two companies have no other business and solely are functioning to support the agreements with FTI.

The recorded amount of the transactions and the measurement basis used for these relationships was a simple 1:1 reimbursement to support FTI as aforementioned and no other relationship exists.

During the nine months ended December 31, 2025, the Company had advanced \$460,968 to these related parties that were subsequently reclassified to general expenses and public company expenses in accordance with the allocation detailed in Note 15 Restatement of the financial statements related to expense reimbursements for office and general, rent, insurance, marketing, and legal and audit fees.

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.**  
**Management's Discussion & Analysis**  
**For the nine months ended December 31, 2025**

**Capital Structure**

**Common shares:**

The Company is authorized by its Articles to issue an unlimited number of common shares without par value and an unlimited number of preferred shares without par value.

The Company is governed by the Canada Business Corporations Act (the "CBCA") and has a unlimited maximum number of common shares.

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

2,100,000 units 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.

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.

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%.

**FTI FOODTECH INTERNATIONAL INC.**  
**Management's Discussion & Analysis**  
**For the nine months ended December 31, 2025**

**December 31,  
2025**

Shares Outstanding at Beginning of Year	17,268,863
Add: Share issuance - private placement	6,012,500
Shares Outstanding at End of Period	<b>23,281,363</b>

Shares Outstanding as of the date of this MD&A	<b>23,281,363</b>
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**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	—	—

**FTI FOODTECH INTERNATIONAL INC.**  
**Management’s Discussion & Analysis**  
**For the nine months ended December 31, 2025**

**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.

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 06, 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 06, 2026.

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	<b>2,141,650</b>	<b>\$ 0.16</b>
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	<b>6,475,025</b>	<b>\$ 0.28</b>

**Off-Balance Sheet Arrangements**

As of the date of this MD&A, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

**FTI FOODTECH INTERNATIONAL INC.**  
**Management's Discussion & Analysis**  
**For the nine months ended December 31, 2025**

**PART IV – ACCOUNTING POLICIES, ESTIMATES, AND INTERNAL CONTROLS**

**Significant Accounting Policies and Estimates**

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.

**Financial Instruments**

Under IFRS, all financial instruments must be classified into a defined category, namely, held-to-maturity, available for sale, loans and receivables, held-for-trading financial assets or financial liabilities and other financial liabilities.

The carrying values of the Company's financial instruments are classified into the following categories:

	December 31, 2025	December 31, 2025
	\$	\$
Fair value through profit and loss (a)	<b>(15,805)</b>	8,381
Account receivables (b)	<b>16,816</b>	197,309
Other financial liabilities (c)	<b>581,471</b>	43,381

- a) Cash measured at fair value.
- b) Accounts receivable measured at amortized cost.
- c) Accounts payable and accrued liabilities, short term loan, advances from shareholders and advances from a related company measured at amortized cost.

*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 judgement, 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 approximate their carrying values due to the short-term maturity of these instruments.

The fair value of the amount due to related party is not determinable as there is no comparable market data.

**FTI FOODTECH INTERNATIONAL INC.**  
**Management's Discussion & Analysis**  
**For the nine months ended December 31, 2025**

*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 Year 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 (March 31, 2025 – \$15,732).

*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 from advance from related party and opportunities to issue additional Company shares.