EAT WELL INVESTMENT GROUP INC.

BUSINESS ACQUISITION REPORT

FORM 51-102F4

Item 1. Identity of Company

1.1 Name and Address of Company

Eat Well Investment Group Inc. ("**Eat Well**" or the "**Company**")
1305 – 1090 West Georgia Street
Vancouver, BC V6E 3V7

1.2 Executive Officer

The following executive officer of the Company is knowledgeable about the significant acquisition and this business acquisition report:

Patrick Dunn
Chief Financial Officer
Telephone: (213) 700-1389

Item 2. Details of Acquisition

2.1 Nature of Business Acquired

The Company completed the acquisitions (the "**Acquisitions**") of all of the issued and outstanding equity securities of: (a) Belle Pulses Ltd. ("**Belle Pulses**") pursuant to an assignment agreement with Novel Agri-Technologies, Inc. (**"Novel**") dated July 30, 2021; and (b) Sapientia Technology LLC, together with its affiliate entity Innovative Prairie Snack Foods Ltd ("**Sapientia**", and together with Belle Pulses, the "**Acquired Companies**") pursuant to a Securities Purchase Agreement dated July 30, 2021.

The Acquisitions were sourced by, and negotiated in cooperation with, Novel. Certain principals of Novel have been appointed as officers of the Company to provide ongoing investment oversight services in respect of the Acquired Companies.

Belle Pulses is a processor of plant-based ingredients. Belle Pulses has partnered with brands in the plant-based foods sector and has developed proprietary and healthy ingredients to provide to the market, global strategic food companies and major ingredient distributors.

Sapientia is a consumer-packaged goods company that owns vegan snacks & intellectual property-related plant-based offerings. Sapientia has developed plant-based products with intellectual property in foods & beverages. Products include plant-based meats and plant-based meat snacks, plant-based dairy milks & yogurts, and pulse-based "puffed/twisted" snack foods.

Sapientia is led by Dr. Eugenio Bortone, a food scientist with a Ph.D. in Food Engineering, an MS in Nutrition. Dr. Bortone has 25 issued patents, and over 25 years of food, snack foods, pet foods, formulation, product development, process scale-up, and commercialization experience.

In connection with the Acquisitions, the Company appointed Marc Aneed as President and Director of Eat Well.

2.2 Date of Acquisition

The Company completed the Acquisitions on July 30, 2021.

2.3 Consideration

The consideration for the acquisition of Sapientia was the issuance of 3,741,969 common shares in the capital of the Company ("**Common Shares**") and a cash payment of USD$6,400,000 to the former shareholders of Sapientia, of which USD$1,000,000 was paid on closing and USD$1,000,000 was paid on August 30, 2021, with the remaining amounts to be paid as to USD$1,000,000 on each of October 31, 2021 and December 31, 2021 and as to USD$800,000 on each of February 28, 2022, April 30, 2022 and June 30, 2022. In addition, Eat Well has incurred financing costs in the amount of USD$120,000 in respect of the purchase price for Sapientia. The cash consideration for the acquisition of Belle Pulses was $30,000,000 paid to the former shareholders of Belle Pulses.

In connection with the Acquisitions, the Company issued 11,476,205 Common Shares to Novel and a net profits interest in the Acquired Companies convertible into an additional 65,031,826 Common Shares at the discretion of Novel and conditional upon achieving certain performance measures.

Concurrent with the closing of the Acquisitions, the Company entered into a revolving debt facility with a principal amount of $33,500,000 from a leading Canadian lender (the "**Lender**"), the proceeds from which were used to satisfy a portion of the cash purchase price of the Acquisitions. The Company also issued to the Lender: (i) 1,000,000 Common Share purchase warrants, with each warrant entitling the holder thereof to acquire one Common Share at $0.58 per Common Share on or before July 30, 2026; and (ii) 500,000 Common Shares, in each case subject to a six month contractual escrow period upon close.

2.4 Effect on Financial Position

Except as otherwise publicly disclosed and in the ordinary course of business and other than in respect of changes that occurred as a result of the Acquisition, the Company does not have any current plans or proposals for material changes in its business affairs or the affairs of any of its subsidiaries, including Belle Pulses or Sapientia, which may have a significant effect on the results of operations and financial position of the Company.

2.5 Prior Valuations

No valuation opinion was obtained in the last 12 months by the Company or the Acquired Companies as no such valuation opinion was required by securities legislation or a Canadian exchange or market to support the consideration under the Acquisitions.

2.6 Parties to the Transaction

The Acquisitions were not with an informed person, associate or affiliate of the Company as defined in Section 1.1 of National Instrument 51 – 102 *Continuous Disclosure Obligations*.

2.7 Date of Report

October 27, 2021 as amended and refiled on August 9, 2022.

Item 3. Financial Statements

Pursuant to Part 8 of NI 51-102, the following financial statements are attached as schedules to the Business Acquisition Report and form part of this Business Acquisition Report:

Schedule A	The audited financial statements of Belle Pulses and related notes thereto for the years ended July 31, 2020 and 2019.
Schedule B	The unaudited interim financial statements of Belle Pulses for the nine month period ended April 30, 2021.
Schedule C	The audited financial statements of Sapientia and related notes thereto for the year ended December 31, 2020.
Schedule D	The unaudited financial statements of Sapientia and related notes thereto for the year ended December 31, 2019.
Schedule E	The unaudited interim financial statements of Sapientia for the six month period ended June 30, 2021.

SCHEDULE A

AUDITED ANNUAL FINANCIAL STATEMENTS OF BELLE PULSES LTD.

[See attached]

Belle Pulses Ltd.

Consolidated Financial Statements
July 31, 2020 and 2019

Independent auditor's report

To the Directors of Belle Pulses Ltd.

Our qualified opinion

In our opinion, except for the possible effects of the matter described in the *Basis for qualified opinion* section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Belle Pulses Ltd. and its subsidiary (together, the Company) as at July 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in accordance with Canadian Accounting Standards for Private Enterprises (ASPE).

What we have audited

The Company's consolidated financial statements comprise:

- the consolidated balance sheets as at July 31, 2020 and 2019;
- the consolidated statements of shareholders' equity for the years then ended;
- the consolidated statements of earnings for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for qualified opinion

Because we were appointed to audit the consolidated financial statements of the Company subsequent to July 31, 2018, we were unable to observe the counting of the physical inventories for the Company's subsidiary Belle Pulses USA LLC of $1,288,496 as at August 1, 2018 or satisfy ourselves concerning those inventory quantities by alternative means. Since opening inventories affect the determination of the results of operations and cash flows, we were unable to determine whether adjustments to the net earnings for the year reported in the consolidated statement of earnings, and in the net cash provided by operating activities reported in the statement of cash flows, and opening retained earnings might be necessary for the year ended July 31, 2019.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

PricewaterhouseCoopers LLP
128 4th Avenue South, Suite 600, Saskatoon, Saskatchewan, Canada S7K 1M8
T: +1 306 668 5900, F: +1 306 652 1315

Independence
We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with ASPE, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Saskatoon, Saskatchewan
October 26, 2021

Belle Pulses Ltd.

Consolidated Balance Sheets

As at July 31, 2020 and 2019

	2020 $	2019 $
Assets		
Current assets		
Cash	3,128,253	1,979,870
Accounts receivable (notes 3 and 8)	6,271,860	2,787,511
Inventories (note 4)	3,880,186	3,846,733
Prepaid expenses	537,073	321,991
Income taxes recoverable	-	156,975
	13,817,372	9,093,080
Property, plant and equipment (note 5)	12,148,900	12,258,099
	25,966,272	21,351,179
Liabilities		
Current liabilities		
Bank indebtedness (note 2)	236,870	-
Accounts payable and accrued liabilities (note 6 and 8)	2,207,556	1,412,828
Income taxes payable	206,138	-
Note payable to a related party (note 8)	498,573	455,024
	3,149,137	1,867,852
Future income tax liability	1,697,000	1,558,175
	4,846,137	3,426,027
Shareholders' Equity		
Capital stock (note 7)	324,068	324,068
Retained earnings	19,019,256	15,795,437
Non-controlling interest	1,776,811	1,805,647
	21,120,135	17,925,152
	25,966,272	21,351,179

Subsequent event (note 11)

Approved by the Directors

(signed) *"Nick Grafton"* Director

(signed) *"Patrick Dunn"* Director

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

Belle Pulses Ltd.

Consolidated Statements of Shareholders' Equity

For the years ended July 31, 2020 and 2019

	2020 $	2019 $
Capital stock – Beginning of year	324,068	324,068
Contributions of capital stock	-	-
Capital stock – End of year	324,068	324,068
Retained earnings – Beginning of year	15,795,437	14,893,397
Net earnings for the year	3,194,983	630,482
Net earnings for the year attributable to non-controlling interest	28,836	271,558
Retained earnings – End of year	19,019,256	15,795,437
Non-controlling interest – Beginning of year	1,805,647	1,753,977
Contributions of membership units attributable to non-controlling interest	-	323,228
Net earnings for the year attributable to non-controlling interest	(28,836)	(271,558)
Non-controlling interest – End of year	1,776,811	1,805,647

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

Belle Pulses Ltd.

Consolidated Statements of Earnings

For the years ended July 31, 2020 and 2019

	2020 $	2019 $
Sales (note 8)	62,595,905	34,516,740
Cost of sales (schedule 1)	54,929,996	31,282,780
Gross profit	7,665,909	3,233,960
Expenses (note 8)		
Salaries and wages	2,159,886	1,474,535
Bad debts	367,331	-
Professional fees	226,597	111,467
General and administration	113,852	127,372
Insurance	105,976	111,868
Amortization	76,155	48,901
Telephone	58,774	56,026
Travel	53,416	30,712
Utilities	45,838	58,923
Memberships and licenses	35,893	22,366
Advertising and promotion	27,614	22,081
Information technology	14,398	25,653
Property taxes	9,335	9,461
Research and development	6,856	-
	3,301,921	2,099,365
Earnings before income taxes	4,363,988	1,134,595
Other expense (income)		
Interest (note 8)	118,229	106,631
Gain on sale of property, plant and equipment	(2,359)	(7,538)
Foreign exchange gain	(22,921)	(45,243)
	92,949	53,850
Net income before income taxes	4,271,039	1,080,745
Provision for income taxes		
Current	937,231	290,454
Future	138,825	159,809
	1,076,056	450,263
Net earnings for the year	3,194,983	630,482

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

Belle Pulses Ltd.

Consolidated Statements of Cash Flows

For the years ended July 31, 2020 and 2019

	2020 $	2019 $
Cash provided by (used in)		
Operating activities		
Net earnings for the year	3,194,983	630,482
Items not affecting cash		
Amortization	1,250,216	1,141,587
Gain on sale of property, plant and equipment	(2,359)	(7,538)
Future income taxes	138,825	159,809
Accrued interest	26,560	-
Foreign exchange gain	(22,921)	(45,243)
Changes in non-cash working capital items		
Accounts receivable	(3,468,787)	278,626
Inventories	(20,242)	(50,193)
Prepaid expenses	(210,994)	(39,970)
Income taxes recoverable	363,113	(149,797)
Bank overdraft	236,870	(486,388)
Accounts payable and accrued liabilities	790,947	(431,199)
	2,276,211	1,000,176
Investing activities		
Proceeds on disposal of property, plant and equipment	66,000	7,538
Purchase of property, plant and equipment	(1,204,658)	(1,019,038)
	(1,138,658)	(1,011,500)
Financing activities		
Proceeds from notes payable	-	455,024
Repayment of notes payable and long-term debt	-	(1,763,962)
Contributions of membership units	-	323,228
	-	(985,710)
Change in cash during the year	1,137,553	(997,034)
Cash – Beginning of year	1,979,870	2,969,552
Impact of foreign exchange translation on cash	10,830	7,352
Cash – End of year	3,128,253	1,979,870

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

1 Summary of significant accounting policies

Description of business

Belle Pulses Ltd. (the company) was incorporated on January 17, 1978 under the Business Corporations Act of Saskatchewan. The company specializes in the processing of green and yellow split peas.

Basis of accounting

These consolidated financial statements have been prepared in accordance with Canadian Accounting Standards for Private Enterprises (ASPE).

The recognition, measurement and disclosure requirements of ASPE differ from those applicable to publicly accountable enterprises in International Financial Reporting Standards (IFRS).

Principles of consolidation

These consolidated financial statements include the accounts of the company and the accounts of its controlled subsidiary company Belle Pulses USA LLC, in which the company has 51% investment via capital contributions in the units. A shareholder of the company holds the remaining 49% of the units. All intercompany accounts and transactions are eliminated on consolidation. Belle Pulses USA LLC engage in the business of acquisition, storage and processing of dry edible pulses and other crop seeds and was formed under the laws of the State of Montana in December 2012.

The fiscal year-end of Belle Pulses USA LLC is May 31 and the consolidated financial statements include the financial position and results of Belle Pulses USA LLC as at and for the year ended May 31. There are no events relating to, or transactions of, Belle Pulses USA LLC that have occurred during the intervening period that significantly affect the financial position or results of operations of the consolidated entity.

Use of estimates

The preparation of consolidated financial statements in accordance with ASPE requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses during the reporting period and disclosure of contingent assets and liabilities, at the date of the consolidated financial statements. Significant items subject to such estimates and assumptions include: the valuation of accounts receivable; the useful lives of property, plant and equipment; the valuation of inventories; and timing and rates applied in determining future income taxes. Actual results could differ from those estimates. Future events could alter such estimates in the near term.

Foreign currency translation

Foreign currency transactions and balances are translated using the temporal method. Under this method, monetary assets and liabilities, in foreign currency, are translated into Canadian dollars at year-end exchange rates and non-monetary assets and liabilities are translated at the exchange rates prevailing at the transaction date. Revenues and expenses are translated at the exchange rates prevailing at the transaction date. Any gains or losses arising from the translation of foreign currency are recognized in net income.

The financial statements of Belle Pulses USA LLC, whose transactions and reporting currency are denominated in US dollars, are translated into Canadian dollars using the temporal method as it constitutes an integrated foreign operation. Under the temporal method, monetary items are translated into Canadian dollars using the exchange rate in effect at the year-end date of the subsidiary.

Non-monetary items are translated at historical exchange rates unless such items are carried at market, in which case they are translated at the exchange rate in effect at the balance sheet date. Revenue and expenses are translated using average exchange rates, and amortization of assets translated at historical exchange rates is translated at the same exchange rates as the assets to which they relate.

Exchange gains or losses arising on the translation of the financial statements of Belle Pulses USA LLC are included in the determination of net income for the year.

Inventories

Inventories are stated at the lower of cost, with cost being determined on a weighted average basis, and net realizable value. Inventories are written down to net realizable value when the cost of inventories is estimated to be greater than the anticipated selling price less costs to sell.

Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated amortization and impairments. Amortization is provided using the declining balance method for each major class of assets at the following annual rates:

Land	not amortized
Buildings	5%
Machinery and equipment	10%
Automotive equipment and computers	30%

In the year of acquisition, amortization is recorded at one-half of the annual rate.

Impairment of long-lived assets

Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that carrying amounts may not be recoverable. Estimates of future cash flows used to test the recoverability of a long-lived asset include only the net future cash flows that are directly associated with, and that are expected to arise as a direct result of, its use and eventual disposition. An impairment loss is recognized when the carrying amount of a long-lived asset is not recoverable and exceeds its fair value. Impairment losses are not reversed if fair value subsequently increases.

Revenue recognition

Revenue from sales is recognized when the significant risks and rewards of ownership have been completed and there are no significant obligations remaining, the sales price is fixed and determinable, persuasive evidence of an arrangement exists, and collectability is reasonably assured. This usually occurs at the time of product shipment.

Income taxes

Future income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts and their tax bases. Future income tax assets are recognized for the benefit of any deductions or losses available to be carried forward to future periods for tax purposes that are likely to be realized. These amounts are measured using enacted or substantively enacted tax rates and are remeasured annually for changes in these rates. Future income tax assets are reassessed each year to determine if a valuation allowance is required. Any effects of re-measurement or reassessment are recognized in the period of the change.

Manufacturing and processing investment tax credits

Under the income tax laws of Saskatchewan, the company is entitled to reduce its Saskatchewan income taxes payable by 6% on eligible equipment purchases. Investment tax credits arising from the acquisition of property, plant and equipment are deducted from the cost of those assets in the year the credit is earned, with amortization calculated on the net amount.

Financial instruments

The company initially measures its financial assets and financial liabilities at fair value, except for certain instruments originated or acquired in related party transactions. The company subsequently measures all its financial assets and financial liabilities at amortized cost, except for equity investments quoted in active markets and derivative financial instruments, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include bank indebtedness, accounts payable and accrued liabilities and note payable to a related party.

Transaction costs on financial assets and liabilities measured at amortized cost are adjusted against the carrying value of the related asset or liability and then recognized over the expected life of the instrument using the straight-line method. Transaction costs on equity investments quoted in active markets are recognized immediately in the consolidated statement of earnings.

At the end of each reporting period, the company assesses whether there are any indications that a financial asset measured at amortized cost may be impaired. If there are indicators of impairment, and the company determines there has been a significant adverse change in the expected amount or timing of future cash flows, the carrying amount of the asset is reduced to the higher of the expected cash flows expected to be generated by holding the asset, discounted using a current market rate of interest, and the amount that could be realized by selling the asset at the consolidated balance sheet date.

Derivatives are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair value at each consolidated balance sheet date. Changes in fair value are recorded in net income.

The company enters into forward exchange contracts to manage its exposure to fluctuations in foreign exchange rates. These contracts are classified as derivative instruments and measured at fair value. The company has not adopted hedge accounting; accordingly, any outstanding contracts are recorded at their fair value.

Foreign exchange forward contracts are presented in accounts receivable and/or accounts payable and accrued liabilities as appropriate

2 Bank indebtedness

A fixed and floating debenture, a first charge on inventories and accounts receivable, personal guarantees of shareholders and assignment of insurance have been pledged as security for the bank indebtedness, which is in the form of lines of credit. There is a Canadian dollar line of credit bearing interest at Canadian prime plus 1%, 3.45% as at July 31, 2020 (2019 – 4.95%) with an authorized limit of $4,000,000 and a US dollar line of credit bearing interest at US prime plus 2.70%, 5.70% as at July 31, 2020 (2019 – 7.20%) with an authorized limit of $500,000.

3 Accounts receivable

	2020 $	2019 $
Trade receivables (note 8)	6,271,860	2,806,511
Allowance for doubtful accounts	-	(19,000)
Total accounts receivables	6,271,860	2,787,511

4 Inventories

	2020 $	2019 $
Raw materials	3,645,759	3,599,880
Supplies	234,427	246,853
Total inventories	3,880,186	3,846,733

Inventory recognized as an expense during the year ended July 31, 2020 was $49,176,534 (2019 – $26,705,283).

5 Property, plant and equipment

			2020	2019
	Cost $	Accumulated amortization $	Net $	Net $
Land	143,667	-	143,667	139,456
Buildings	7,059,190	2,942,571	4,116,619	4,095,802
Machinery and equipment	17,920,362	10,198,076	7,722,286	7,904,075
Automotive equipment and computers	1,115,511	949,183	166,328	118,766
	26,238,270	14,089,830	12,148,900	12,258,099

Amortization of $1,250,216 (2019 – $1,141,587) was recognized in the consolidated statement of earnings, of which $1,174,061 (2019 – $1,092,686) was recognized in cost of sales and $76,155 (2019 – $48,901) was recognized in operating expenses.

6 Government remittances

As at July 31, 2020, accounts payable and accrued liabilities include outstanding government remittances payable, including amounts for payroll taxes, and workers' safety insurance premiums of $39,453 (2019 – $31,637).

7 Capital stock

Authorized

Unlimited number of Class A voting, common shares
Unlimited number of Class B non-voting, preferred shares, redeemable at option of holder or company
1,000 Class C non-voting, preferred shares, redeemable at option of holder or company
Unlimited number of Class D voting, common shares

Issued and outstanding shares

	2020 $	2019 $
100 Class A shares (Belle Pulses Ltd.)	324,068	324,068

8 Related party balances and transactions

During the year, the company, sold $7,847,895 (2019 – $3,588,235) to a shareholder of the company, incurred expenses of $69,077 (2019 – $33,256) and purchased inventory for $290,256 (2019 – $nil) from a shareholder of the company. These sales and expense transactions are recorded at the exchange amounts. Included in accounts receivable is $787,487 (2019 – $48,030) arising from normal course of business sales transactions owed from a shareholder of the company. Included in accounts payable and accrued liabilities is $79,582 (2019 – $127,081) of amounts owing to a shareholder of the company for transactions arising in the normal course of business.

In May 2019, a shareholder of the company loaned $455,024 to Belle Pulses USA LLC for working capital. Interest accrues at the prime rate plus .50%. The note plus accrued interest is due May 31, 2021. The note is unsecured, and an extension may be granted at maturity. At July 31, 2020, the outstanding balance due was $498,573 (2019 – $455,024).

9 Financial instruments

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities. The company is exposed to liquidity risk primarily with respect to its bank indebtedness, accounts payable and accrued liabilities and note payable to a related party. Cash flows from operations provide a substantial portion of the company's cash requirements. The company also has an undrawn operating loan facility as described in note 2.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the counterparty by failing to discharge an obligation. The company, in the normal course of business, is exposed to credit risk from its customers. The company's financial assets that are exposed to credit risk consist primarily of cash and accounts receivable.

The company's cash is maintained at major financial institutions; therefore, the company considers the risk of non-performance of these instruments to be remote. The allowance for doubtful accounts recognized by the company has been disclosed in note 3. Trade receivables are generally due within 30 to 90 days. No trade receivables mature beyond one year. The company performs regular credit evaluations of all its customers. The accounts receivable balance is recorded net of an allowance for doubtful accounts, which the company expects will cover potential credit losses.

Credit risk also arises on derivative financial instruments. The company reduces this risk by dealing only with creditworthy financial institutions.

Market risk

Market risk is the risk that financial instrument fair values will fluctuate due to changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The company is exposed to interest rate risk and currency risk.

Interest rate risk

Interest rate risk refers to the risk that a financial instrument, or cash flows associated with the instrument, will fluctuate due to changes in market interest rates. The company is exposed to interest rate risk in relation to interest expense on its bank indebtedness and note payable to a related party.

Currency risk

Currency risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises when financial assets or financial liabilities are denominated in a currency other than Canadian dollars. The following table summarizes the company's financial instruments denominated in foreign currencies:

	2020 **$** US dollars	**2019** **$** US dollars
Cash	258,931	626,130
Accounts receivable	3,994,148	1,773,648
Bank indebtedness	(189,916)	-
Notes payable to a related party (note 8)	(361,671)	(343,000)
Accounts payable	(489,005)	(156,012)
Net balance in US dollars	3,212,487	1,900,766
Equivalent in Canadian dollars	4,422,630	2,574,397

Derivative financial instruments

The company realizes a significant portion of its sales in foreign currencies and enters into foreign exchange contracts to manage its foreign exchange risk. The company does not hold or issue financial instruments for trading purposes. At July 31, 2020 the company held US$4,000,000 USD in forward contracts (2019 – US$1,500,000) at an average rate of $1.371 (2019 – $1.341), with terms to maturity of no longer than three months. The fair value of the instruments determined using the year-end exchange rates at July 31, 2020 was $97,350 (2019 – $32,800).

10 COVID-19 pandemic

In March 2020, the World Health Organization characterized the COVID-19 outbreak as a global pandemic. During the pandemic the company has seen increased revenues from the sale of its products. The company has been able to operate for the majority of the year ended July 31, 2020. At the current time, the company is unable to quantify the potential impact this pandemic may have on its future consolidated financial statements.

11 Subsequent event

On April 6, 2021, the company purchased 20 Class A shares from a shareholder for $5,000,000 and subsequently cancelled the shares upon completion of the transaction.

Belle Pulses Ltd.

Schedule 1

For the year ended July 31, 2020

	2020 $	2019 $
Product	49,176,534	26,705,283
Wages and benefits	2,497,358	1,956,486
Amortization - equipment	958,006	897,491
Utilities	935,544	586,735
Repairs and maintenance	756,944	523,720
Amortization - building	216,055	195,195
Insurance and licenses	146,514	138,696
Custom work	125,358	124,089
Grading and testing	45,344	41,919
Safety and training	30,431	45,579
Property taxes	21,781	22,075
Equipment rental	10,289	15,297
Fuel and oil	9,838	30,215
Cost of sales	54,929,996	31,282,780

SCHEDULE B

UNAUDITED INTERIM FINANCIAL STATEMENTS OF BELLE PULSES LTD.

[See attached]

Belle Pulses Ltd.

Consolidated Interim Financial Statements
(Unaudited)
April 30, 2021

Belle Pulses Ltd.

Consolidated Interim Balance Sheet
(Unaudited)

	April 30, 2021 $	July 31, 2020 $
Assets		
Current assets		
Cash	1,394,933	3,128,253
Accounts receivable (notes 3 and 8)	5,435,030	6,271,860
Inventories (note 4)	5,112,116	3,880,186
Prepaid expenses	481,947	537,073
	12,424,026	13,817,372
Property, plant and equipment (note 5)	13,019,489	12,148,900
	25,443,515	25,966,272
Liabilities		
Current liabilities		
Bank indebtedness (note 2)	2,508,945	236,870
Accounts payable and accrued liabilities (note 6 and 8)	2,621,632	2,207,556
Income taxes payable	124,000	206,138
Note payable to a related party (note 8)	410,640	498,573
	5,665,217	3,149,137
Future income tax liability	1,805,000	1,697,000
	7,470,217	4,846,137
Shareholders' Equity		
Capital stock (note 7)	259,254	324,068
Retained earnings	15,784,788	19,019,256
Non-controlling interest	1,929,256	1,776,811
	17,973,298	21,120,135
	25,443,515	25,966,272

Approved by the Directors

(signed) *"Nick Grafton"* Director (signed) *"Patrick Dunn"* Director

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

Belle Pulses Ltd.

Consolidated Interim Statement of Shareholders' Equity
(Unaudited)

	Nine months ended April 30, 2021 $	Nine months ended April 30, 2020 $
Capital stock – Beginning of period	324,068	324,068
Repurchase of capital stock (note 7)	(64,814)	-
Capital stock – End of period	259,254	324,068
Retained earnings – Beginning of period	19,019,256	15,795,437
Net earnings for the period	2,853,163	2,178,722
Repurchase of capital stock (note 7)	(4,935,186)	-
Dividends	(1,000,000)	-
Net (earnings) loss for the period attributable to non-controlling interest	(152,445)	178,224
Retained earnings – End of period	15,784,788	18,152,383
Non-controlling interest – Beginning of period	1,776,811	1,805,647
Net earnings (loss) for the period attributable to non-controlling interest	152,445	(178,224)
Non-controlling interest – End of period	1,929,256	1,627,423

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

Belle Pulses Ltd.

Consolidated Interim Statement of Earnings
(Unaudited)

	Three months ended April 30, 2021 $	Three months ended April 30, 2020 $	Nine months ended April 30, 2021 $	Nine months ended April 30, 2020 $
Sales (note 8)	13,840,976	17,119,336	43,859,474	45,096,341
Cost of sales (schedule)	12,799,999	15,098,379	37,768,290	39,551,456
Gross profit	1,040,977	2,020,957	6,091,184	5,544,885
Expenses (note 8)				
Salaries and wages	399,617	608,432	1,474,099	1,666,325
Professional fees	79,387	51,287	170,289	145,699
Insurance	41,373	29,319	112,333	83,417
General and administration	28,072	36,615	86,631	97,521
Telephone	14,863	15,744	49,156	43,305
Amortization	16,722	7,328	40,308	64,257
Bad debts	39,185	132,260	40,015	270,698
Utilities	14,540	10,776	38,789	37,691
Information technology	9,471	4,672	25,950	10,705
Property taxes	2,363	2,332	23,628	6,931
Travel	9,233	14,090	21,898	63,938
Memberships and licences	14,656	6,625	19,361	20,612
Advertising and promotion	12,390	2,283	14,018	26,420
Research and development	-	-	-	6,856
	681,872	921,763	2,116,475	2,544,375
Earnings before the following	359,105	1,099,194	3,974,709	3,000,510
Other expense (income)				
Interest (note 8)	37,976	41,041	73,388	98,236
Gain on sale of property, plant and equipment	(64,440)	-	(64,440)	(7,673)
Other income	(75,000)	-	(20,730)	-
Foreign exchange loss (gain)	36,887	(115,144)	171,836	(2,128)
	(64,577)	(74,103)	160,054	88,435
Earnings before income taxes	423,682	1,173,297	3,814,655	2,912,075
Provision for income taxes				
Current	81,022	249,139	853,492	618,353
Future	26,000	46,000	108,000	115,000
	107,022	295,139	961,492	733,353
Net earnings for the period	316,660	878,158	2,853,163	2,178,722

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

Belle Pulses Ltd.

Consolidated Interim Statement of Cash Flows
(Unaudited)

	Nine months ended April 30, 2021 $	Nine months ended April 30, 2020 $
Cash provided by (used in)		
Operating activities		
Net earnings for the period	2,853,163	2,178,722
Items not affecting cash		
Amortization	887,005	947,479
Gain on sale of property, plant and equipment	(64,440)	(7,673)
Future income taxes	108,000	115,000
Accrued interest	15,030	16,095
Foreign exchange loss (gain)	171,836	(2,128)
Changes in non-cash working capital items		
Accounts receivable	737,032	(7,150,337)
Inventories	(1,345,861)	632,244
Prepaid expenses	(474)	(344,630)
Income taxes payable	(82,138)	494,248
Bank overdraft	2,272,075	1,280,815
Accounts payable and accrued liabilities	398,136	1,022,005
	5,949,364	(818,160)
Investing activities		
Purchase of property, plant and equipment	(1,693,154)	(840,011)
Repurchase of capital stock	(5,000,000)	-
Payment of dividends	(1,000,000)	-
	(7,693,154)	(840,011)
Change in cash during the period	(1,743,790)	(1,658,171)
Cash – Beginning of period	3,128,253	1,979,870
Impact of foreign exchange translation on cash	10,470	36,930
Cash – End of period	1,394,933	358,629

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

1 Summary of significant accounting policies

Description of business

Belle Pulses Ltd. (the Company) was incorporated on January 17, 1978 under the Business Corporations Act of Saskatchewan. The Company specializes in the processing of green and yellow split peas.

Basis of accounting

These consolidated interim financial statements have been prepared in accordance with Canadian Accounting Standards for Private Enterprises (ASPE), which are Canadian accounting standards for private enterprises in Part II of the CPA Canada Handbook (the Handbook). The recognition, measurement and disclosure requirements of Canadian GAAP applicable to private enterprises different from those of Canadian GAAP applicable to publicly accountable enterprises, which are International Financial Reporting Standards incorporated into the Handbook.

Principles of consolidation

These consolidated interim financial statements include the accounts of the Company and the accounts of its controlled subsidiary company Belle Pulses USA LLC, in which the Company has 51% investment via capital contributions in the units. All intercompany accounts and transactions are eliminated on consolidation. Belle Pulses USA LLC engages in the business of acquisition, storage and processing of dry edible pulses and other crop seeds and was formed under the laws of the State of Montana in December 2012.

The fiscal year-end of Belle Pulses USA LLC is May 31 and the consolidated financial statements as at July 31, 2020 include the financial position and results of operations of Belle Pulses USA LLC as at and for the year ended May 31. There were no events relating to, or transactions of, Belle Pulses USA LLC that occurred during the intervening period that significantly affected the financial position or results of operations of the consolidated entity. The consolidated interim financial statements as at April 30, 2021 include the financial position and results of operations of Belle Pulses USA LLC as at April 30, 2021 and for the 3 and 9-month periods ended April 30, 2021.

Use of estimates

The preparation of consolidated interim financial statements in accordance with ASPE requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses during the reporting period and disclosure of contingent assets and liabilities at the date of the consolidated interim financial statements. Significant items subject to such estimates and assumptions include the valuation of accounts receivable; the useful lives of property, plant and equipment; the valuation of inventories; and timing and rates applied in determining future income taxes. Actual results could differ from those estimates. Future events could alter such estimates in the near term.

Foreign currency translation

Foreign currency transactions and balances are translated using the temporal method. Under this method, monetary assets and liabilities in foreign currency are translated into Canadian dollars at period-end exchange rates and non-monetary assets and liabilities are translated at the exchange rates prevailing at the transaction date. Revenue and expenses are translated at the exchange rates prevailing at the transaction date. Any gains or losses arising from the translation of foreign currency are recognized in net earnings.

The financial statements of Belle Pulses USA LLC, whose transactions and reporting currency are denominated in US dollars, are translated into Canadian dollars using the temporal method as it constitutes an integrated foreign operation. Under the temporal method, monetary items are translated into Canadian dollars using the exchange rate in effect at the year-end date of the subsidiary.

Non-monetary items are translated at historical exchange rates unless such items are carried at market, in which case they are translated at the exchange rate in effect at the consolidated interim balance sheet date. Revenue and expenses are translated using average exchange rates, and amortization of assets translated at historical exchange rates is translated at the same exchange rates as the assets to which they relate.

Exchange gains or losses arising on the translation of the financial statements of Belle Pulses USA LLC are included in the determination of net earnings for the period.

Inventories

Inventories are stated at the lower of cost, with cost being determined on a weighted average basis, and net realizable value. Inventories are written down to net realizable value when the cost of inventories is estimated to be greater than the anticipated selling price less costs to sell.

Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated amortization and impairments. Amortization is provided for each major class of assets using the following methods and at the following annual rates:

Major classes of assets	Depreciation method	Annual rate
Land	Not amortized	Not amortized
Buildings	Declining balance	5%
Buildings	Straight-line	25 years
Machinery and equipment	Declining balance	10%
Machinery and equipment	Straight-line	10 years
Automotive equipment and computers	Declining balance	30%

In the year of acquisition, amortization is recorded at one-half of the annual rate.

Impairment of long-lived assets

Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that carrying amounts may not be recoverable. Estimates of future cash flows used to test the recoverability of a long-lived asset include only the net future cash flows that are directly associated with, and that are expected to arise as a direct result of, its use and eventual disposition. An impairment loss is recognized when the carrying amount of a long-lived asset is not recoverable and exceeds its fair value. Impairment losses are not reversed if fair value subsequently increases.

Revenue recognition

Revenue from sales is recognized when the significant risks and rewards of ownership have been completed and there are no significant obligations remaining, the sales price is fixed and determinable, persuasive evidence of an arrangement exists and collectability is reasonably assured. This usually occurs at the time of product shipment.

Income taxes

Future income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts and their tax bases. Future income tax assets are recognized for the benefit of any deductions or losses available to be carried forward to future periods for tax purposes that are likely to be realized. These amounts are measured using enacted or substantively enacted tax rates and are remeasured annually for changes in these rates. Future income tax assets are reassessed each year to determine if a valuation allowance is required. Any effects of re-measurement or reassessment are recognized in the period of the change.

Manufacturing and processing investment tax credits

Under the income tax laws of Saskatchewan, the Company is entitled to reduce its Saskatchewan income taxes payable by 6% on eligible equipment purchases. Investment tax credits arising from the acquisition of property, plant and equipment are deducted from the cost of those assets in the period the credit is earned, with amortization calculated on the net amount.

Financial instruments

The Company initially measures its financial assets and financial liabilities at fair value, except for certain instruments originated or acquired in related party transactions. The Company subsequently measures all its financial assets and financial liabilities at amortized cost, except for equity investments quoted in active markets and derivative financial instruments, which are measured at fair value. Changes in fair value are recognized in net earnings.

Financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include bank indebtedness, accounts payable and accrued liabilities and note payable to a related party.

Transaction costs on financial assets and liabilities measured at amortized cost are adjusted against the carrying value of the related asset or liability and then recognized over the expected life of the instrument using the straight-line method. Transaction costs on equity investments quoted in active markets are recognized immediately in the consolidated interim statement of earnings.

At the end of each reporting period, the Company assesses whether there are any indications that a financial asset measured at amortized cost may be impaired. If there are indicators of impairment, and the Company determines there has been a significant adverse change in the expected amount or timing of future cash flows, the carrying amount of the asset is reduced to the higher of the expected cash flows expected to be generated by holding the asset, discounted using a current market rate of interest, and the amount that could be realized by selling the asset at the consolidated interim balance sheet date.

Derivatives are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair value at each consolidated interim balance sheet date. Changes in fair value are recorded in net earnings.

The Company enters into forward exchange contracts to manage its exposure to fluctuations in foreign exchange rates. These contracts are classified as derivative instruments and measured at fair value. The Company has not adopted hedge accounting; accordingly, any outstanding contracts are recorded at their fair value.

Foreign exchange forward contracts are presented in accounts receivable and/or accounts payable and accrued liabilities as appropriate.

2 Bank indebtedness

A fixed and floating debenture, a first charge on inventories and accounts receivable, personal guarantees of shareholders and assignment of insurance have been pledged as security for the bank indebtedness, which is in the form of lines of credit. There is a Canadian dollar line of credit bearing interest at Canadian prime plus 1%, 3.45% as at April 30, 2021 (July 31, 2020 – 3.45%) with an authorized limit of $4,000,000 and a US dollar line of credit bearing interest at US prime plus 2.70%, 5.7% as at April 30, 2021 (July 31, 2020 – 5.70%) with an authorized limit of $500,000.

3 Accounts receivable

	April 30, 2021 $	July 31, 2020 $
Trade receivables (note 8)	5,468,758	6,271,860
Allowance for doubtful accounts	(33,728)	-
Total accounts receivables	5,435,030	6,271,860

4 Inventories

	April 30, 2021 $	July 31, 2020 $
Raw materials	4,276,081	3,645,759
Supplies	836,035	234,427
Total inventories	5,112,116	3,880,186

Inventory recognized as an expense during the nine months ended April 30, 2021 was $33,290,043 (2020 – $35,283,877).

5 Property, plant and equipment

	April 30, 2021			July 31, 2020
	Cost $	Accumulated amortization $	Net $	Net $
Land	143,667	-	143,667	143,667
Buildings	8,106,449	3,119,122	4,987,327	4,116,619
Machinery and equipment	18,586,808	10,863,510	7,723,298	7,722,286
Automotive equipment and computers	1,087,958	922,761	165,197	166,328
	27,924,882	14,905,393	13,019,489	12,148,900

Amortization during the nine months ended April 31, 2021 of $887,005 (2020 – $947,479) was recognized in the consolidated interim statement of earnings, of which $846,698 (2020 – $883,222) was recognized in cost of sales and $40,308 (2020 – $64,257) was recognized in operating expenses.

6 Government remittances

As at April 30, 2021, accounts payable and accrued liabilities include outstanding government remittances payable, including amounts for payroll taxes and workers' safety insurance premiums of $7,360 (July 31, 2020 – $39,453).

7 Capital stock

Authorized
Unlimited Class A voting, common shares
Unlimited Class B non-voting, preferred shares, redeemable at option of holder or company
1,000 Class C non-voting, preferred shares, redeemable at option of holder or company
Unlimited Class D voting, common shares

Issued and outstanding shares

	April 30, 2021 $	July 31, 2020 $
80 (2020 – 100) Class A shares (Belle Pulses Ltd.)	259,254	324,068

On April 6, 2021, the Company repurchased 20 Class A common shares from a shareholder for cash consideration of $5,000,000 and subsequently cancelled the shares upon completion of the transaction. This transaction resulted in a premium of $4,935,186 over the subscription price, which has been accounted for as reduction in retained earnings.

8 Related party balances and transactions

During the nine months ended April 30, 2021, the Company sold $5,560,716 (nine months ended April 30, 2020 – $5,859,451) to a shareholder of Belle Pulses USA LLC. These sales transactions are recorded at the exchange amounts. Included in accounts receivable on April 30, 2021 is $472,977 (July 31, 2020 – $787,487) arising from normal course of business sales transactions owed from a shareholder of Belle Pulses USA LLC. Included in accounts payable and accrued liabilities on April 30, 2021 is $58,888 (July 31, 2020 – $79,582) of amounts owing to a shareholder of Belle Pulses USA LLC for transactions arising in the normal course of business.

In May 2019, a shareholder of Belle Pulses USA LLC loaned $455,024 to Belle Pulses USA LLC for working capital. Interest accrues at the prime rate plus .50%. The note plus accrued interest is due May 31, 2021. The note is unsecured, and an extension may be granted at maturity. As at April 30, 2021, the outstanding balance due was $410,640 (July 31, 2020 – $498,573).

9 Financial instruments

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities. The Company is exposed to liquidity risk primarily with respect to its bank indebtedness, accounts payable and accrued liabilities and note payable to a related party. Cash flows from operations provide a substantial portion of the Company's cash requirements. The Company also has an undrawn operating loan facility as described in note 2.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the counterparty by failing to discharge an obligation. The Company, in the normal course of business, is exposed to credit risk from its customers. The Company's financial assets that are exposed to credit risk consist primarily of cash and accounts receivable.

The Company's cash is maintained at major financial institutions; therefore, the Company considers the risk of non-performance of these instruments to be remote. The allowance for doubtful accounts recognized by the Company has been disclosed in note 3. Trade receivables are generally due within 30 to 90 days. No trade receivables mature beyond one year. The Company performs regular credit evaluations of all its customers. The accounts receivable balance is recorded net of an allowance for doubtful accounts, which the Company expects will cover potential credit losses.

Credit risk also arises on derivative financial instruments. The Company reduces this risk by dealing only with creditworthy financial institutions.

Market risk

Market risk is the risk that financial instrument fair values will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. The Company is exposed to interest rate risk and currency risk.

- Interest rate risk

  Interest rate risk refers to the risk that a financial instrument, or cash flows associated with the instrument, will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk in relation to interest expense on its bank indebtedness and note payable to a related party.

- Currency risk

Currency risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises when financial assets or financial liabilities are denominated in a currency other than Canadian dollars. The following table summarizes the Company's financial instruments denominated in foreign currencies:

	April 30, 2021 **$** US dollars	**July 31, 2020** **$** US dollars
Cash	1,140,425	258,931
Accounts receivable	3,450,031	3,994,148
Bank indebtedness	(422,979)	(189,916)
Note payable to a related party (note 8)	(374,300)	(361,671)
Accounts payable	(1,394,465)	(489,005)
Net balance in US dollars	2,398,712	3,212,487
Equivalent in Canadian dollars	2,948,496	4,422,630

The Company manages a portion of its exposure to foreign currency risk with the derivative instruments described below.

- Derivative financial instruments

The Company realizes a significant portion of its sales in foreign currencies and enters into foreign exchange contracts to manage its foreign exchange risk. The Company does not hold or issue financial instruments for trading purposes. As at April 30, 2021, the Company held US$nil in forward contracts (July 31, 2020 – US$4,000,000) at an average rate of $nil (July 31, 2020 – $1.371), with terms to maturity of no longer than four months. The fair value of the instruments determined using the period-end exchange rate as at April 30, 2021 was $nil (July 31, 2020 – $97,350).

10 COVID-19 pandemic

In March 2020, the World Health Organization characterized the COVID-19 outbreak as a global pandemic. COVID-19 has had a material adverse impact on global economies. In order to combat the spread of COVID-19, governments worldwide, including Canada and the United States, have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures.

The ultimate impact of COVID-19 on the financial results of the Company will depend on future developments, including the duration and spread of the pandemic and related advisories and restrictions. These developments and the impact of COVID-19 on the financial markets and the overall economy are highly uncertain and difficult to predict. If the financial market and/or the overall economy are impacted for a significantly longer period of time, the financial results of the Company may be materially adversely affected.

Belle Pulses Ltd.

Consolidated Interim Schedule of Cost of Sales

(Unaudited)

	Three months ended April 30, 2021 $	Three months ended April 30, 2020 $	Nine months ended April 30, 2021 $	Nine months ended April 30, 2020 $
Product	11,307,901	13,601,277	33,290,043	35,283,877
Wages and benefits	674,161	674,055	2,018,198	1,872,283
Amortization – equipment	232,937	263,890	809,904	845,085
Utilities	288,558	276,466	673,337	701,068
Repairs and maintenance	170,476	166,897	607,407	554,644
Amortization – building	11,984	13,069	36,794	38,137
Insurance and licences	51,203	39,609	149,960	103,395
Custom work	25,995	39,207	77,194	78,583
Grading and testing	16,842	11,798	47,834	35,307
Safety and training	10,279	6,668	36,629	16,214
Property taxes	5,513	5,443	16,540	16,173
Equipment rental	1,633	-	1,633	2,947
Fuel and oil	2,517	-	2,817	3,743
	12,799,999	15,098,379	37,768,290	39,551,456

SCHEDULE C

AUDITED ANNUAL FINANCIAL STATEMENTS OF SAPIENTIA TECHNOLOGY LLC (2020)

[See attached]

Sapientia Technology LLC

Financial Statements
December 31, 2020

Independent auditor's report

To the Directors of Sapientia Technology LLC

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Sapientia Technology LLC (the Company) as at December 31, 2020 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

What we have audited
The Company's financial statements comprise:

- the statement of financial position as at December 31, 2020;
- the statement of loss and comprehensive loss for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

We draw attention to note 1 to the financial statements, which describes events or conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

PricewaterhouseCoopers LLP
128 4th Avenue South, Suite 600, Saskatoon, Saskatchewan, Canada S7K 1M8
T: +1 306 668 5900, F: +1 306 652 1315

Comparative information

The financial statements of the Company as at December 31, 2019 and for the year then ended were not audited but were subject to review by us. A review engagement is substantially less in scope than an audit. The review report dated May 17, 2022 expressed an unmodified conclusion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Saskatoon, Saskatchewan
June 29, 2022

Sapientia Technology LLC

Statement of Financial Position

As at December 31, 2020

	2020 $	2019 $ (Unaudited)
Assets		
Current assets		
Cash	4,522	15,875
Intangible assets (note 4)	13,272	13,272
	17,794	29,147
Shareholders' Equity		
Share capital (note 5)	853,327	800,925
Deficit	(835,533)	(771,778)
	17,794	29,147

Going concern (note 1)

Subsequent event (note 11)

Approved by the Board of Directors

(signed) *"Nick Grafton"* Director (signed) *"Patrick Dunn"* Director

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

Sapientia Technology LLC

Statement of Loss and Comprehensive Loss

For the year ended December 31, 2020

	2020 $	2019 $ (Unaudited)
Expenses		
Professional fees (note 9)	20,199	4,160
Raw materials	12,825	-
Postage and delivery	741	524
Computer and internet	158	-
Bank service charge	2	2
Meals	-	562
Storage and moving	-	309
Office supplies	-	59
	33,925	5,616
Loss before the following	(33,925)	(5,616)
Foreign exchange loss	(713)	-
Net loss and comprehensive loss for the year	(34,638)	(5,616)

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

Sapientia Technology LLC

Statement of Changes in Equity

For the year ended December 31, 2020

	Share capital $	Deficit $	Total equity $
Balance as at December 31, 2018 (Unaudited)	644,961	(607,765)	37,196
Net loss and comprehensive loss for the year	-	(5,616)	(5,616)
Shareholder distributions	-	(158,397)	(158,397)
Shareholder contributions	155,964	-	155,964
Balance as at December 31, 2019 (Unaudited)	800,925	(771,778)	29,147
Net loss and comprehensive loss for the year	-	(34,638)	(34,638)
Shareholder distributions	-	(29,117)	(29,117)
Shareholder contributions	52,402	-	52,402
Balance as at December 31, 2020	853,327	(835,533)	17,794

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

Sapientia Technology LLC

Statement of Cash Flows

For the year ended December 31, 2020

	2020 $	2019 $ (Unaudited)
Cash flows from (used in)		
Operating activities		
Net loss for the year	(34,638)	(5,616)
Item not affecting cash		
Foreign exchange loss	713	-
Changes in non-cash working capital items		
Accounts receivable	-	6,972
Accounts payable	-	(215)
	(33,925)	1,141
Investing activities		
Purchases of intangible assets	-	(13,272)
Financing activities		
Proceeds from shareholders	52,402	155,964
Distributions to shareholders	(29,117)	(158,397)
	23,285	(2,433)
Change in cash during the year	(10,640)	(14,564)
Cash – Beginning of year	15,875	30,439
Effects of exchange rate changes on cash	(713)	-
Cash – End of year	4,522	15,875

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

1 Description of business and going concern

Description of business

Sapientia Technology LLC (the Company) is a Florida Limited Liability Company, which develops technologies in the food technology industry.

Going concern

These financial statements have been prepared using International Financial Reporting Standards (IFRS) applicable to a going concern, which contemplate the realization of assets and settlement of liabilities in the normal course of business as they come due.

The Company is in the pre-revenue stage and must obtain sufficient funding to meet its cash flow needs. These circumstances lend significant doubt as to the ability of the Company to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

In recognition of these circumstances, the Company is seeking additional funding and pursuing different alternatives to generate revenue. Nevertheless, there is no assurance that these initiatives will be successful.

The Company's ability to continue as a going concern is dependent on the continued support of a shareholder for short-term financing and its ability to obtain other financing. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

2 Basis of preparation

Statement of compliance

The financial statements have been prepared in accordance with IFRS and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board.

These financial statements were approved by the Directors of the Company on June 27, 2022.

Basis of measurement and presentation

The financial statements have been prepared on a historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in United States dollars, which is the Company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are generally recognized in profit or loss. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for December 31, 2020 reporting periods and have not been early adopted by the Company. These standards are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

3 Summary of significant accounting policies

The significant accounting policies used in the preparation of these financial statements are as follows:

Cash

For the purpose of presentation in the statement of cash flows, cash includes deposits held at call with financial institutions.

Intangible assets

Development costs that are directly attributable to the design and testing of identifiable and unique technology controlled by the Company are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the technology so that it will be available for use;
- management intends to complete the technology and use or sell it;
- there is an ability to use or sell the technology;
- it can be demonstrated how the technology will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the technology are available; and
- the expenditure attributable to the technology during its development can be reliably measured.

Capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is ready for use.

Research and development expenditures that do not meet the criteria outlined above are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest rate method.

Financial assets

i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (OCI) or through profit or loss); and
- those to be measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Company classifies its financial assets at amortized cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on the trade date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

iii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

iv) Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains (losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of loss and comprehensive loss.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognized in income or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains (losses) and impairment expenses are presented as a separate line item in the statement of loss and comprehensive loss.

- FVPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within other gains (losses) in the period in which it arises.

v) Impairment

The Company assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

4 Intangible assets

	2020 $	2019 $ (Unaudited)
Cost		
Opening	13,272	-
Additions	-	13,272
Closing	13,272	13,272

5 Share capital

	2020		2019	
	Shares	**$**	**Shares**	**$** (Unaudited)
Share units	1,000	100	1,000	100

6 Critical estimates, judgments and errors

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items that are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgments is included in the notes together with information about the basis of calculation for each affected line item in the financial statements. In addition, this note also explains where there have been actual adjustments this year as a result of an error and of changes to previous estimates. No such adjustments were required this year.

The areas involving significant estimates or judgments are:

- estimated useful lives of intangible assets (note 4).

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

7 Financial risk management

The Company's activities expose it to a variety of financial risks. The Company focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company's risk management practices are overseen by the Board of Directors.

Market risk

Market risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Company is not exposed to any of these risks.

Credit risk

Credit risk is the risk one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial instruments that potentially subject the Company to credit risk consist principally of cash.

The Company's cash is maintained at major financial institutions; therefore, the Company considers the risk of non-performance of these instruments to be remote.

Liquidity risk

Liquidity risk is the risk the Company will not be able to meet its financial obligations when they come due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating investing and financing activities to ensure it has sufficient available funds to meet current and foreseeable financial requirements.

The Company is in the pre-revenue stage and has a cumulative deficit as at December 31, 2020 of $835,533 (2019 – $771,778).

The Company will need to raise sufficient capital via share issuances or other financing or begin to generate profit to meet its cash flow needs. In the interim, the Company is depending on shareholder financing.

8 Capital management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide future returns for shareholders and benefits for other stakeholders.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or obtain other forms of financing.

There are no specific ratios that are currently used to monitor capital.

9 Related party transactions

The Company incurred, on behalf of a related party, by virtue of common ownership, expenses for the year ended December 31, 2020 totalling $2,924 (2019 – $nil).

10 COVID-19 pandemic

In March 2020, the World Health Organization characterized the outbreak of the novel coronavirus disease known as COVID-19 as a global pandemic. As at December 31, 2020, the COVID-19 pandemic had not yet had a significant impact on the Company; therefore, no adjustments have been recorded in the financial statements relating to this crisis for the year then ended. Management has assessed that there are no significant disclosures to make with respect to any changes to assets or liabilities in the subsequent period. As it is not yet known when public health restrictions will be removed, nor the long-term impact of COVID-19, it is not possible to estimate any financial impact of this event on the Company's financial results subsequent to December 31, 2020.

11 Subsequent event

On June 23, 2021, a shareholder of the Company assigned various patents to the Company.

SCHEDULE D

UNAUDITED ANNUAL FINANCIAL STATEMENTS OF SAPIENTIA TECHNOLOGY LLC (2019)

[See attached]

Sapientia Technology LLC

Financial Statements
(Unaudited)
December 31, 2019

May 17, 2022

Independent Practitioner's Review Engagement Report

To the Directors of Sapientia Technology LLC

We have reviewed the accompanying financial statements of Sapientia Technology LLC (the Company) that comprise the statement of financial position as at December 31, 2019 and the statements of loss and comprehensive loss, changes in equity and cash flows for the year then ended, and the related notes, which comprise significant accounting policies and other explanatory information.

Management's responsibility for the financial statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's responsibility
Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of the Company as at December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of matter

Without qualifying our conclusion, we draw attention to note 1 in the financial statements, which describes events or conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

PricewaterhouseCoopers LLP
128 4th Avenue South, Suite 600, Saskatoon, Saskatchewan, Canada S7K 1M8
T: +1 306 668 5900, F: +1 306 652 1315

Other matter
The comparative information of the Company as at, and for the year ended, December 31, 2018 has not been reviewed.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Sapientia Technology LLC

Statement of Financial Position

(Unaudited)

As at December 31, 2019

	2019 $	2018 $
Assets		
Current assets		
Cash	15,875	30,439
Accounts receivable	-	6,972
	15,875	37,411
Intangible assets (note 4)	13,272	-
	29,147	37,411
Liabilities		
Current liabilities		
Accounts payable	-	215
Shareholders' Equity		
Share capital (note 5)	800,925	644,961
Deficit	(771,778)	(607,765)
	29,147	37,196
	29,147	37,411

Going concern (note 1)

Subsequent event (note 9)

Approved by the Board of Directors

(signed) *"Nick Grafton"* Director (signed) *"Patrick Dunn"* Director

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

Sapientia Technology LLC

Statement of Loss and Comprehensive Loss

(Unaudited)

For the year ended December 31, 2019

	2019 $	2018 $
Expenses		
Professional fees	4,160	4,600
Meals	562	1,481
Postage and delivery	524	2,533
Storage and moving	309	208
Office supplies	59	55
Bank service charge	2	58
Raw materials	-	19,528
Automobile	-	281
Miscellaneous	-	24
Net loss and comprehensive loss for the year	5,616	28,768

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

Sapientia Technology LLC

Statement of Changes in Equity

(Unaudited)

For the year ended December 31, 2019

	Share capital $	Deficit $	Total equity $
Balance as at December 31, 2017	508,061	(440,780)	67,281
Net loss and comprehensive loss for the year	-	(28,768)	(28,768)
Shareholder distributions	-	(138,217)	(138,217)
Shareholder contributions	136,900	-	136,900
Balance as at December 31, 2018	644,961	(607,765)	37,196
Net loss and comprehensive loss for the year	-	(5,616)	(5,616)
Shareholder distributions	-	(158,397)	(158,397)
Shareholder contributions	155,964	-	155,964
Balance as at December 31, 2019	800,925	(771,778)	29,147

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

Sapientia Technology LLC

Statement of Cash Flows

(Unaudited)

For the year ended December 31, 2019

	2019 $	2018 $
Cash flows from (used in)		
Operating activities		
Net loss for the year	(5,616)	(28,768)
Changes in non-cash working capital items		
Accounts receivable	6,972	(6,972)
Accounts payable	(215)	215
	1,141	(35,525)
Investing activities		
Purchases of intangible assets	(13,272)	-
Financing activities		
Proceeds from shareholders	155,964	136,900
Distributions to shareholders	(158,397)	(138,217)
	(2,433)	(1,317)
Change in cash during the year	(14,564)	(36,842)
Cash – Beginning of year	30,439	67,281
Cash – End of year	15,875	30,439

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

1 Description of business and going concern

Description of business

Sapientia Technology LLC (the Company) is a Florida Limited Liability Company, which develops technologies in the food technology industry.

Going concern

These financial statements have been prepared using International Financial Reporting Standards (IFRS) applicable to a going concern, which contemplate the realization of assets and settlement of liabilities in the normal course of business as they come due.

The Company is in the pre-revenue stage and must obtain sufficient funding to meet its cash flow needs. These circumstances lend significant doubt as to the ability of the Company to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

In recognition of these circumstances, the Company is seeking additional funding and pursuing different alternatives to generate revenue. Nevertheless, there is no assurance that these initiatives will be successful.

The Company's ability to continue as a going concern is dependent on the continued support of a shareholder for short-term financing and its ability to obtain other financing. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

2 Basis of preparation

Statement of compliance

The financial statements have been prepared in accordance with IFRS and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board.

These financial statements were approved by the Directors of the Company on May 5, 2022.

Basis of measurement and presentation

The financial statements have been prepared on a historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in United States dollars ($), which is the Company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are generally recognized in profit or loss. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for December 31, 2019 reporting periods and have not been early adopted by the Company. These standards are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

3 Summary of significant accounting policies

The significant accounting policies used in the preparation of these financial statements are as follows:

Cash

For the purpose of presentation in the statement of cash flows, cash includes deposits held at call with financial institutions.

Intangible assets

Development costs that are directly attributable to the design and testing of identifiable and unique technology controlled by the Company are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the technology so that it will be available for use;
- management intends to complete the technology and use or sell it;
- there is an ability to use or sell the technology;
- it can be demonstrated how the technology will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the technology are available; and

- the expenditure attributable to the technology during its development can be reliably measured.

Capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is ready for use.

Research and development expenditures that do not meet the criteria outlined above are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest rate method.

Financial assets

i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (OCI) or through profit or loss); and
- those to be measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Company classifies its financial assets at amortized cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

iii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

iv) Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains (losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of loss and comprehensive loss.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognized in income or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains (losses) and impairment expenses are presented as a separate line item in the statement of loss and comprehensive loss.

- FVPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within other gains (losses) in the period in which it arises.

v) Impairment

The Company assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

4 Intangible assets

	2019 $	2018 $
Cost		
Opening	-	-
Additions	13,272	-
Closing	13,272	-

5 Share capital

	2019		2018	
	Shares	**$**	**Shares**	**$**
Share units	1,000	100	1,000	100

6 Critical estimates, judgments and errors

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items that are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgments is included in the notes together with information about the basis of calculation for each affected line item in the financial statements. In addition, this note also explains where there have been actual adjustments this year as a result of an error and of changes to previous estimates. No such adjustments were required this year.

The areas involving significant estimates or judgments are:

- estimated useful lives of intangible assets (note 4).

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

7 Financial risk management

The Company's activities expose it to a variety of financial risks. The Company focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company's risk management practices are overseen by the Board of Directors.

Market risk

Market risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Company is not exposed to any of these risks.

Credit risk

Credit risk is the risk one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial instruments that potentially subject the Company to credit risk consist principally of cash.

The Company's cash is maintained at major financial institutions; therefore, the Company considers the risk of non-performance of these instruments to be remote.

Liquidity risk

Liquidity risk is the risk the Company will not be able to meet its financial obligations when they come due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating investing and financing activities to ensure it has sufficient available funds to meet current and foreseeable financial requirements.

The Company is in the pre-revenue stage and has a cumulative deficit at December 31, 2019 of $771,778 (2018 – $607,765).

The Company will need to raise sufficient capital via share issuances or other financing or begin to generate profit to meet its cash flow needs. In the interim, the Company is depending on shareholder financing.

8 Capital management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide future returns for shareholders and benefits for other stakeholders.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or obtain other forms of financing.

There are no specific ratios that are currently used to monitor capital.

9 Subsequent event

On June 23, 2021, a shareholder of the Company assigned various patents to the Company.

SCHEDULE E

UNAUDITED INTERIM FINANCIAL STATEMENTS OF SAPIENTIA TECHNOLOGY LLC

[See attached]

Sapientia Technology LLC

Interim Condensed Financial Statements
(Unaudited)
June 30, 2021

Sapientia Technology LLC

Interim Condensed Statement of Financial Position
(Unaudited)

	June 30, 2021 $	December 31, 2020 $
Assets		
Current assets		
Cash	26,498	4,522
Intangible assets (note 3)	13,272	13,272
	39,770	17,794
Shareholders' Equity		
Share capital (note 4)	952,197	853,327
Deficit	(912,427)	(835,533)
	39,770	17,794

Going concern (note 1)

Approved by the Board of Directors

(signed) *"Nick Grafton"* Director (signed) *"Patrick Dunn"* Director

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

Sapientia Technology LLC

Interim Condensed Statement of Loss and Comprehensive Loss
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2021 $	2020 $	2021 $	2020 $
Revenue				
Consulting income	-	-	926	-
Expenses				
Professional fees	34,083	-	43,854	-
Insurance	-	-	6,041	-
Postage and delivery	724	-	1,617	-
Computer and internet	783	-	783	-
State tax	287	-	287	-
Office supplies	-	-	238	-
	35,877	-	52,820	-
Net loss and comprehensive loss for the period	(35,877)	-	(51,894)	-

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

Sapientia Technology LLC

Interim Condensed Statement of Changes in Equity

(Unaudited)

	Six months ended June 30,		
	Share capital $	Deficit $	Total equity $
Balance as at December 31, 2019	800,925	(771,778)	29,147
Net loss and comprehensive loss for the year period	-	-	-
Shareholder distributions	-	(2,681)	(2,681)
Shareholder contributions	12,977	-	12,977
Balance as at June 30, 2020	813,902	(774,459)	39,443
Balance as at December 31, 2020	853,327	(835,533)	17,794
Net loss and comprehensive loss for the year period	-	(51,894)	(51,894)
Shareholder distributions	-	(25,000)	(25,000)
Shareholder contributions	98,870	-	98,870
Balance as at June 30, 2021	952,197	(912,427)	39,770

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

Sapientia Technology LLC

Interim Condensed Statement of Cash Flows

(Unaudited)

	Six months ended June 30, 2021 $	Six months ended June 30, 2020 $
Cash flows from (used in)		
Operating activities		
Net loss for the period	(51,894)	-
Financing activities		
Proceeds from shareholders	98,870	12,977
Distributions to shareholders	(25,000)	(2,681)
	73,870	10,296
Change in cash during the period	21,976	10,296
Cash – Beginning of period	4,522	15,875
Cash – End of period	26,498	26,171

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

1 Description of business and going concern

Description of business

Sapientia Technology LLC (the Company) is a Florida Limited Liability Company that develops technologies in the food technology industry.

Going concern

These interim condensed financial statements have been prepared using International Financial Reporting Standards (IFRS) applicable to a going concern, which contemplate the realization of assets and settlement of liabilities in the normal course of business as they come due.

The Company is in the pre-revenue stage and must obtain sufficient funding to meet its cash flow needs. These circumstances lend significant doubt as to the ability of the Company to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

In recognition of these circumstances, the Company is seeking additional funding and pursuing different alternatives to generate revenue. Nevertheless, there is no assurance that these initiatives will be successful.

The Company's ability to continue as a going concern is dependent on the continued support of a shareholder for short-term financing and its ability to obtain other financing. These interim condensed financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

2 Basis of preparation

Statement of compliance

The interim condensed financial statements have been prepared in accordance with IFRS, and in accordance with International Account standard (IAS) 34, Interim Financial Reporting, as issued by the International Accounting Standards Board (IASB). These interim condensed financial statements should be read in conjunction with the audited financial statements for the year ended December 31, 2020, which have been prepared in compliance with IFRS as issued by the IASB. The accounting policies followed in these interim condensed financial statements are consistent with those applied in the Company's audited financial statements for the year ended December 31, 2020.

Basis of measurement and presentation

The interim condensed financial statements have been prepared on a historical cost basis. In addition, these interim condensed financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Functional and presentation currency

Items included in the interim condensed financial statements are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The interim condensed financial statements are presented in United States dollars ($), which is the Company's functional and presentation currency.

3 Intangible assets

	June 30, 2021 $	December 31, 2020 $
Cost		
Opening	13,272	13,272
Additions	-	-
Closing	13,272	13,272

4 Share capital

	June 30, 2021		December 31, 2020	
	Shares	$	Shares	$
Membership units	1,000	100	1,000	100

5 Financial risk management

The Company's activities expose it to a variety of financial risks. The Company focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company's risk management practices are overseen by the Board of Directors.

Market risk

Market risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Company is not exposed to any of these risks.

Credit risk

Credit risk is the risk one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial instruments that potentially subject the Company to credit risk consist principally of cash.

The Company's cash is maintained at major financial institutions; therefore, the Company considers the risk of non-performance of these instruments to be remote.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meets its financial obligations when they come due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating investing and financing activities to ensure it has sufficient available funds to meet current and foreseeable financial requirements.

The Company is in the pre-revenue stage and has a cumulative deficit as at June 30, 2021 of $912,427 (December 31, 2020 – $835,533).

The Company will need to raise sufficient capital via share issuances or other financing or begin to generate profit to meet its cash flow needs. In the interim the Company is depending on shareholder financing.

6 Capital management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide future returns for shareholders and benefits for other stakeholders.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or obtain other forms of financing.

There are no specific ratios that are currently used to monitor capital.

7 COVID-19 pandemic

In March 2020, the World Health Organization characterized the outbreak of the COVID-19 virus as a global pandemic. As at June 30, 2021, the COVID-19 pandemic had not yet had a significant impact on the Company; therefore, no adjustments have been recorded in the interim condensed financial statements relating to this crisis for the period then ended. Management has assessed that there are no significant disclosures to make with respect to any changes to assets or liabilities in the subsequent period. As it is not yet known when public health restrictions will be removed, nor the long-term impact of COVID-19, it is not possible to estimate any financial impact of this event on the Company's financial results subsequent to June 30, 2021.