
FTC CARDS INC.

CONDENSED INTERIM FINANCIAL STATEMENTS

**FOR THE SIX MONTHS ENDED
JUNE 30, 2021**

**(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)**

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

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

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

FTC CARDS INC.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
AS AT JUNE 30, 2021 AND DECEMBER 31, 2020
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	June 30, 2021	December 31, 2021
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	596,885	65,369
Goods and services tax recoverable	6,984	1,186
	<u>603,869</u>	<u>66,555</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable (Notes 4, 8)	125,902	21,976
EQUITY		
Share capital (Note 5)	8,904,141	8,305,106
Deficit	(8,426,174)	(8,260,527)
	<u>477,967</u>	<u>44,579</u>
	<u>603,869</u>	<u>66,555</u>

GOING CONCERN (Note 2(c))

Approved on behalf of the Board of Directors on August 27, 2021:

"Robert Kiesman"
Robert Kiesman, Director

"Kyle Haddow"
Kyle Haddow, Director

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

FTC CARDS INC.
CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2021 AND 2020
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
	\$	\$	\$	\$
		(Restated: Note 1)		(Restated: Note 1)
EXPENSES				
Accounting and audit	-	3,100	14,237	3,100
Consulting fees	110,000	-	110,000	63,980
Transfer agent and filing fees	7,329	2,196	7,838	2,196
Foreign exchange	12	(8,353)	1,418	9,869
Legal fees	24,633	677	32,039	53,119
Office and miscellaneous expenses	75	1,167	115	1,221
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) FROM CONTINUING OPERATIONS	(142,049)	1,213	(165,647)	(133,485)
DISCONTINUED OPERATIONS				
Loss from subsidiary sold (Note 1)	-	(23,048)	-	(49,919)
NET LOSS	(142,049)	(21,835)	(165,647)	(183,404)
BASIC AND DILUTED LOSS PER SHARE	(0.03)	(0.01)	(0.04)	(0.05)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - BASIC AND DILUTED				
	4,721,914	3,535,101	4,131,786	3,535,101

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

FTC CARDS INC.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2021 AND 2020
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
	\$	\$
		(Restated: Note 1)
OPERATING ACTIVITIES		
Loss for the period	(165,647)	(133,485)
Changes in non-cash working capital items:		
Goods and services taxes recoverable	(5,798)	(187)
Accounts payable and accrued liabilities	103,926	3,196
CASH FLOWS USED IN OPERATING ACTIVITIES	(67,519)	(130,476)
FINANCING ACTIVITIES		
Proceeds from the issuance of common shares, net	599,035	-
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES	599,035	-
CHANGE IN CASH DURING THE PERIOD	531,516	(130,476)
CASH, BEGINNING OF PERIOD	65,369	144,839
CASH, END OF PERIOD	596,885	14,363
Cash paid for:		
Income taxes	-	-
Interest	-	-

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

FTC CARDS INC.
CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2021 AND 2020
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Capital Transactions	Retained Earnings	Accumulated Other Comprehensive Income	Total Equity
		\$	\$	\$	\$	\$
Balance as at December 31, 2019	3,535,101	8,305,106	(309,554)	(5,679,161)	(2,811,496)	(495,105)
Net loss	-	-	-	(183,404)	-	(183,404)
Exchange rate losses of foreign investments	-	-	-	-	91,321	91,321
Balance as at June 30, 2020	3,535,101	8,305,106	(309,554)	(5,862,565)	(2,720,175)	(587,188)
Balance as at December 31, 2020	3,535,101	8,305,106	-	(8,260,527)	-	44,579
Issuance of common shares, net	12,000,000	599,035	-	-	-	599,035
Net loss	-	-	-	(165,647)	-	(165,647)
Balance as at June 30, 2021	15,535,101	8,904,141	-	(8,426,174)	-	477,967

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

FTC CARDS INC.**NOTES TO THE FINANCIAL STATEMENTS****FOR THE SIX MONTHS ENDED JUNE 30, 2021**

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

1. NATURE OF BUSINESS

FTC Cards Inc. (“FTC Canada” and the “Company”) was incorporated under the name “0934977 B.C. Ltd.” under the laws of the Province of British Columbia by articles of incorporation dated March 9, 2012. On May 16, 2012, the name was changed to “FTC Cards Inc.”

On May 21, 2021, the Company completed a consolidation of its shares on a 16.5:1 basis. Immediately after the consolidation was effective, there were 3,535,101 issued and outstanding shares. These financial statements retrospectively reflect this share consolidation for all shares and per share amounts.

The Company was incorporated by CTF Technologies Inc. (“CTF”) for the purposes of completing a reorganization whereby, pursuant to the terms of an Arrangement agreement between CTF and FleetCor Technologies Inc. (“FleetCor”), FleetCor would acquire all of the shares of CTF from its existing shareholders and FTC Canada would be “spun-out” from CTF, ie. all of the shares of FTC Canada owned by CTF would be divided to its shareholders so that the former CTF shareholders became the new shareholders of FTC Canada. Consequently, on July 3, 2012, the completion date, FTC Canada ceased to be a wholly-owned subsidiary of CTF and became a reporting issuer, although its common shares are currently not listed on any exchange for trading in Canada or elsewhere.

Also, pursuant to the terms of the Arrangement agreement, when the FTC Canada shares were issued to CTF, in return the Company acquired approximately 90.5% of the equity of FTC Cards Processamento e Serviços de Fidelização Ltda. (“FTC Brazil”) from CTF and assumed the management of the business of FTC Brazil. FTC Brazil is a limited liability company (sociedade limitada) under the laws of Brazil and was incorporated on April 7, 2011. The balance of the equity in FTC Brazil is held by Technis Planejamento e Gestão em Negócios Ltda. (“Technis”), a limited liability company (sociedade limitada) under the laws of Brazil and an unrelated party.

On October 17, 2014, at the request of the minority shareholder of FTC Brazil, the 9.5 per cent interest held by Technis was repurchased and cancelled, such that FTC Brazil became a wholly-owned subsidiary of FTC Canada with effect from October, 2014.

Effective December 1, 2017, FTC Brazil changed its registered name from FTC Cards Processamento e Serviços de Fidelização Ltda. to “Syspoints Servicos de Informatica Ltda.”.

On December 30, 2020, the Company sold FTC Brazil to its major shareholder. As a consequence, these financial statements are no longer consolidated, and reflect solely the financial position and results of the parent Canadian company, FTC Cards Inc. for the period ended June 30, 2021 with comparative restated amounts for the prior year.

As a result of completing the sale of FTC Brazil, the Company no longer has active business operations or material assets other than cash. The Company has reduced its costs and staffing to a minimum sustainable level to continue operations and now intends to explore potential strategic alternatives. There can be no assurance that these efforts will result in a transaction being pursued, entered or consummated.

The registered and records office of FTC Canada is located at 1500 Royal Centre, 1055 West Georgia Street, Vancouver, BC V6E 4N7. The head office of FTC Canada is located at 33157 Tunbridge Avenue, Mission, BC V2V 6X9.

FTC CARDS INC.**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2021**

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

2. BASIS OF PREPARATION

a) Statement of compliance

These unaudited condensed interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). These condensed interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the audited financial statements and notes thereto as of and for the year ended December 31, 2020. These financial statements were authorized for issue by the Board of Directors on August 27, 2021.

b) Basis of presentation

These unaudited condensed interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. These condensed interim financial statements follow the same accounting policies and methods of application as the annual audited financial statements for the year ended December 31, 2020. The adoption of new accounting standards has had no material impact on the condensed interim financial statements.

c) Going concern

These unaudited condensed interim financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company’s continuing operations, as intended, and its financial success is dependent upon the extent to which it can successfully raise the capital to implement its future plans. As at June 30, 2021, the Company had working capital of \$477,967, an accumulated deficit of \$8,426,174 and no source of revenues.

These factors indicate the existence of a material uncertainty that may cast significant doubt on the ability of the Company to continue as a going concern. These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year.

Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustment could be material.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. The impact on the Company is not currently determinable but management continues to monitor the situation.

FTC CARDS INC.**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2021**

(Unaudited – Prepared by Management)

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2. BASIS OF PREPARATION (continued)

c) Use of estimates and judgments

The preparation of these unaudited condensed interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed interim financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

These condensed interim financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the condensed interim financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Critical accounting judgments

- i. The determination of the Company's ability to continue as a going concern requires management to make judgments and assumptions of future events.

d) Functional and reporting currency

These unaudited condensed interim financial statements are presented in Canadian dollars, which is the functional and reporting currency of the Company.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These unaudited condensed interim financial statements follow the same accounting policies and methods of application as the annual audited financial statements for the year ended December 31, 2020.

4. ACCOUNTS PAYABLE

The Company's accounts payable are as follows:

	June 30, 2021	December 31, 2020
Trade payables	124,512	21,976
Due to related parties (Note 8)	1,750	-
	<u>125,902</u>	<u>21,976</u>

FTC CARDS INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2021
(Unaudited – Prepared by Management)
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5. SHARE CAPITAL

a) Authorized

Unlimited number of common shares without par value.

b) Share consolidation

On May 21, 2021, the Company completed a consolidation of its shares on a 16.5:1 basis. Immediately after the consolidation was effective, there were 3,535,101 issued and outstanding shares.

c) During the period ended June 30, 2021, the Company closed a non-brokered private placement of 12,000,000 common shares, at a price of \$0.05 per share, for gross proceeds of \$600,000. The Company incurred cash share issuance costs of \$965.

6. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern. The Company does not have any externally imposed capital requirements to which it is subject.

As at June 30, 2021 the Company considers capital to be comprised of all components of equity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue common shares or dispose of assets or adjust the amount of cash.

7. FINANCIAL INSTRUMENTS

Fair Values

The Company's financial instruments consist of cash and accounts payable, the fair values of which approximate their carrying values because of their current nature.

The following table summarizes the carrying values of the Company's financial instruments at June 30, 2021:

	Category	\$
Cash	FVTPL	596,885
Accounts payable	Amortized cost	125,902

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FOR THE SIX MONTHS ENDED JUNE 30, 2021**

(Unaudited – Prepared by Management)

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7. FINANCIAL INSTRUMENTS (continued)

The Company classifies its fair value measurements in accordance with the three level fair value hierarchies as follows:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices), and
- Level 3 – Inputs that are not based on observable market data

The following table sets forth the Company's financial assets at June 30, 2021, measured at fair value on a recurring basis by level within the fair value hierarchy as follows:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Cash	596,885	-	-	596,885

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk, the Company places cash with high credit quality financial institutions. As at June 30, 2021, the maximum amount of credit risk the Company is exposed to through its financial assets is \$nil.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due (see Note 2(c)). The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined above. The Company requires financing to meet its short-term obligations to support operations.

The Company monitors its ability to meet its short-term expenditures for the identification, evaluation and acquisition of assets of a business by raising additional funds through share issuance when required. The following are the contractual maturities of financial liabilities as at June 30, 2021:

	Carrying Amount	Contractual Cash Flows	Within 1 year	Within 2 years	Within 3 years	Over 3 years
	\$	\$	\$	\$	\$	\$
Accounts payable	125,902	125,902	125,902	-	-	-

FTC CARDS INC.**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2021**

(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

8. RELATED PARTY TRANSACTIONS AND BALANCES

The Company considers its officers and directors to be key management personnel.

During the six months ended June 30, 2021 and 2020, the Company's transactions with related parties are as follows:

	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
Corporate Secretary (consulting fees)	5,000	-

As at June 30, 2021 and December 31, 2020, the Company had the following amounts owed to related parties.

	June 30, 2021	December 31, 2020
A company controlled by the CEO	1,750	-

9. EVENTS AFTER THE REPORTING DATE

- a) On May 10, 2021, the Company had announced that it had entered into a non-binding letter of intent ("LOI") with Beyond Oil Inc. ("Beyond Oil"). Pursuant to the LOI, it is expected that the Company will, through a series of steps, acquire all of the issued and outstanding securities of Beyond Oil and the common shares of the resulting issuer will be listed as a public company on a stock exchange in Canada (the "Transaction"). Details on the Transaction, including related financings, structure and timeline, will be included in a future news release.

The completion of the Transaction is subject to the satisfaction of various conditions that are customary for a transaction of this nature, including but not limited to: (a) execution of a definitive agreement (the "Definitive Agreement"); (b) receipt of all required approvals and consents; and (c) the completion of satisfactory due diligence by each of the parties. There can be no assurance that the Transaction will be completed on the terms proposed above or at all.

- b) On July 7, 2021, the Company entered a promissory note purchase agreement with Beyond Oil. Pursuant to the agreement, the Company loaned \$63,760 (US \$50,000) to Beyond Oil, with a condition that the funds be used solely for audit and legal expenses in connection with the transaction contemplated in the LOI and the hiring of a new CFO.