



NFT Technologies Inc.

Condensed Interim Financial Statements (Unaudited)
For the three-month periods ended March 31, 2022 and 2021
(Expressed in Canadian Dollars, unless otherwise noted)

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NFT Technologies Inc.
Condensed Interim Statements of Financial Position (Unaudited)
As of March 31, 2022 and December 31, 2021
Expressed in Canadian Dollars

	Notes	March 31, 2022 (unaudited)	December 31, 2021
ASSETS			
Current assets			
Cash and cash equivalents		\$ 3,554,875	\$ 3,918,120
Restricted cash		5,000	5,000
Prepaid expenses and deposits	5	315,691	106,740
Note receivable	6	120,000	-
Digital assets	7	868,835	433,326
Total current assets		\$ 4,864,401	\$ 4,463,186
Non-current assets			
Property and equipment		24,419	23,495
Intangible assets	8	1,232,122	-
Investments	9	438,963	246,576
Total non-current assets		\$ 1,695,504	\$ 270,071
Total assets		\$ 6,559,905	\$ 4,733,257
LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities		\$ 600,743	\$ 215,131
Advances payable		-	30,575
Total liabilities		\$ 600,743	\$ 245,706
SHAREHOLDERS' EQUITY			
Share capital	10	\$ 12,422,024	\$ 9,214,902
Share-based payment reserve	11	2,251,143	1,313,749
Share subscriptions receivable		(25,000)	(25,000)
Accumulated deficit		(8,809,585)	(6,016,100)
Accumulated other comprehensive income		120,580	-
Total shareholders' equity		\$ 5,959,162	\$ 4,487,551
Total liabilities and shareholders' equity		\$ 6,559,905	\$ 4,733,257

Going concern (Note 1)

Commitments (Note 14)

Events after reporting period (Note 17)

Approved on behalf of the Board of Directors on May 16, 2022.

"Wayne Lloyd"

Director

"Kelly Allin"

Director

NFT Technologies Inc.**Condensed Interim Statements of Loss and Comprehensive Loss (Unaudited)****For the Three-Month Periods Ended March 31, 2022 and 2021**

Expressed in Canadian Dollars except number of shares

	Notes	March 31, 2021 (unaudited)	March 31, 2021
Expenses			
Development costs	12	\$ 433,713	\$ -
General and administration	12,15	1,574,741	63,000
Sales and marketing	12	293,684	-
Total expenses		\$ (2,302,138)	\$ (63,000)
Operating loss		\$ (2,302,138)	\$ (63,000)
Other income (expenses)			
Foreign exchange loss		\$ (5,113)	\$ -
Listing costs		(177,622)	-
Loss from revaluation of investments		(307,613)	-
Other expenses		(999)	-
Net loss for the period		(2,793,485)	(63,000)
Items that are or may be reclassified subsequently to profit or loss			
Gain from revaluation of digital assets	7	120,580	-
Net loss and comprehensive loss for the period		\$ (2,672,905)	\$ (63,000)
Loss per share – basic and diluted		\$ (0.04)	\$ (63,000.00)
Weighted average number of common shares outstanding – basic and diluted		74,982,668	1

NFT Technologies Inc.
Condensed Interim Statements of Changes in Shareholders' Equity (Unaudited)
For the Three-Month Periods Ended March 31, 2022 and 2021

Expressed in Canadian Dollars except number of shares

	Notes	Share capital	Share-based payment reserve	Share Subscriptions Receivable	Accumulated deficit	Accumulated other comprehensive income	Total shareholders' equity
Balance – December 31, 2020		\$ 1	\$ -	\$ -	\$ -	\$ -	\$ 1
Net loss and comprehensive loss for the period		-	-	-	(63,000)	-	(63,000)
Balance – March 31, 2021		\$ 1	\$ -	\$ -	\$ -	(63,000)	\$ (62,999)
Balance – December 31, 2021		\$ 9,214,902	\$ 1,313,749	\$ (25,000)	\$ (6,016,100)	\$ -	\$ 4,487,551
Shares issued in private placements	10	1,495,000	-	-	-	-	1,495,000
Shares issued for investment	10	500,000	-	-	-	-	500,000
Shares issued for asset acquisition - Fuku	10	1,212,122	-	-	-	-	1,212,122
Share-based payments – PSU	11	-	191,512	-	-	-	191,512
Share-based payments - stock options	11	-	745,882	-	-	-	745,882
Net loss and comprehensive loss for the period		-	-	-	(2,793,485)	120,580	(2,672,905)
Balance – March 31, 2022 (unaudited)		\$ 12,422,024	\$ 2,251,143	\$ (25,000)	\$ (8,809,585)	120,580	\$ 5,959,162

NFT Technologies Inc.
Condensed Interim Statements of Cash Flows (Unaudited)
For the Three-Month Period Ended March 31, 2022 and 2021
Expressed in Canadian Dollars

	Notes	March 31, 2022 (unaudited)	March 31, 2021
OPERATING ACTIVITIES			
Net loss for the period		\$ (2,793,485)	\$ (63,000)
<i>Non-cash items:</i>			
Depreciation		2,090	-
Share-based payments	11	937,394	-
Loss from revaluation of investments	9	307,613	-
<i>Changes in non-cash working capital items:</i>			
Prepaid expenses		(208,951)	-
Notes receivable		(120,000)	-
Trade payables and accrued liabilities		375,612	63,000
Advances payable		(30,575)	-
Net cash used in operating activities		\$ (1,530,302)	\$ -
INVESTING ACTIVITIES			
Acquisition of digital assets	7	(314,929)	-
Acquisition of property and equipment		(3,014)	-
Acquisition of intangible assets	8	(10,000)	-
Net cash used in investing activities		\$ (327,943)	\$ -
FINANCING ACTIVITIES			
Proceeds from private placement	10	1,495,000	-
Net cash provided by financing activities		\$ 1,495,000	\$ -
Increase (decrease) in cash		(363,245)	-
Cash and cash equivalents, beginning of period		3,918,120	1
Cash and cash equivalents, end of period		\$ 3,554,875	\$ 1
Cash held with financial institutions		\$ 3,532,381	\$ 1
Cash held in trust account		22,494	-
Total cash and cash equivalents		\$ 3,554,875	\$ 1

Supplemental cash flow information

	Notes	March 31, 2022 (unaudited)	March 31, 2021
Shares issued for investments	9,10	\$ 500,000	\$ -
Shares issued for intangible assets	8,10	1,212,122	-
Additions to intangible assets in trade payables	8	10,000	-

NOTE 1 – NATURE OF OPERATIONS AND GOING CONCERN

NFT Technologies Inc. (the “Company”) was incorporated in the province of British Columbia on March 1, 2016. The Company changed its name from 1066666 B.C. Ltd. to NFT Technologies Inc. on March 18, 2021. The Company’s head office is located at Suite 202, 1965 West 4th Avenue, Vancouver, BC, V6J 1M8.

The Company is working in the non-fungible token (“NFT”) space of unique digital assets and environments to develop new technologies, invest in digital assets to provide exposure to investment in NFTs and the metaverse, and advise creators and platforms in the space.

During the three-month period ended March 31, 2022, the Company incurred a net loss of \$2,793,485 and negative cash flows from operating activities of \$1,530,302. As at March 31, 2022, the Company has an accumulated deficit of \$8,809,585. The Company does not currently generate revenue, and is incurring costs to develop its business. Management carefully monitors cash outflows, and seek additional sources of financing to ensure continued operations. The Company’s continuing operations as intended are dependent upon its ability to attain profitable operations and generate funds therefrom and raise equity capital or obtain the necessary financing sufficient to meet current and future obligations.

These condensed interim financial statements do not include any adjustments to the classification and amounts of assets and liabilities that may be required should the Company be unable to continue as a going concern. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. These conditions indicate the existence of material uncertainties that may cast significant doubt about the Company’s ability to continue as a going concern. Although the Company has been successful at raising funds in the past through the issuance of securities and obtaining loans, it is uncertain whether it will be successful in doing so in the future or at terms that are acceptable to the Company.

NOTE 2 - BASIS OF ACCOUNTING

These interim financial statements for the three-month period ended March 31, 2022 have been prepared in accordance with IAS 34 *Interim Financial Reporting*, and should be read in conjunction with the Company’s last annual financial statements as at and for the year ended December 31, 2021 (‘last annual financial statements’). They do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company’s financial position and performance since the last annual financial statements.

These condensed interim financial statements were authorized for issue by the Company’s board of directors on May 16, 2022.

NOTE 3 – USE OF JUDGEMENTS AND ESTIMATES

In preparing these interim financial statements, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgments made by management in applying the Company’s accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

NOTE 4 – SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the accounting policies applied in these interim financial statements are the same as those applied in the Company’s financial statements as at and for the year ended December 31, 2021.

The Company adopted the following accounting policies during the three-month period ended March 31, 2022.

Intangible assets acquired separately

Intangible assets acquired separately are measured on initial recognition at cost and intangible assets acquired in a business combination are recognized at fair value at the date of acquisition. Intangible assets include intellectual property, rights and patents. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

NFT Technologies Inc.
Notes to the Condensed Interim Financial Statements (Unaudited)
For the Three-Month Periods Ended March 31, 2022 and 2021
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Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization for finite life intangible assets is recognized in profit or loss. Intangible assets with indefinite lives are not amortized, however they are tested annually or more frequently when circumstances indicate that the carrying value may not be recoverable.

Intangible assets are amortized over their estimated useful lives, on a straight-line basis, as follows:

Intangible assets	Years
Intellectual property rights	5

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

Impairment of non-financial assets

The Company assesses the recoverable amount of non-financial assets, at each reporting period, for indicators of impairment. If any indication exists the Company estimates the recoverable amount for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount which is the higher of fair value less costs of disposal and its value in use. In assessing value in use, the estimate future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining fair value less costs of disposal, recent market transactions are considered or an appropriate valuation model is used. An impairment loss is recognized in the statement of profit or loss if the carrying amount of an asset or CGU exceeds its recoverable amount.

A previously recognized impairment loss is reversed when there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited to its recoverable amount and cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss.

NOTE 5 - PREPAID EXPENSES AND DEPOSITS

	March 31, 2022 (unaudited)	December 31, 2021
Insurance	\$ 183,944	\$ -
Consulting	37,704	7,350
Marketing	76,722	99,390
Deposits	17,321	-
Balance – March 31, 2022	\$ 315,691	\$ 106,740

NOTE 6 - NOTE RECEIVABLE

On March 18, 2022, the Company entered into a non-binding letter of intent (the "Sherwa LOI") with Sherwa Online Services Inc. ("Sherwa") and certain of the founding shareholder of Sherwa (the "Sherwa Shareholders"), setting forth the terms and conditions of the proposed acquisition by the Company of all of the issued and outstanding shares of Sherwa (the "Sherwa Shares") in consideration for 2,000,000 common shares of the Company.

On March 24, 2022, the Company advanced \$120,000 to Sherwa, evidenced by a promissory note issued by Sherwa to the Company in the amount of \$120,000, bearing interest at 1.0% per annum, and secured by a founding shareholder's guarantee and pledge of 5,000,000 Sherwa Shares, representing approximately 39.03% of the total Sherwa Shares.

NFT Technologies Inc.

Notes to the Condensed Interim Financial Statements (Unaudited)

For the Three-Month Periods Ended March 31, 2022 and 2021

Expressed in Canadian Dollars except otherwise noted

NOTE 7 - DIGITAL ASSETS

		Fiat Equivalent	ETH, units
Balance – December 31, 2020 and March 31, 2021	\$	-	-
Proceeds from private placement		36,285	9
Used in development activities		(36,285)	(9)
Transfer from the bank account with a financial institution to the wallet		439,934	92
Loss from revaluation		(6,608)	-
Balance – December 31, 2021	\$	433,326	92
Transfer from the bank account with a financial institution to the wallet		463,421	145
Used in development activities		(261,020)	(56)
Returned from development activities		112,528	27
Gain from revaluation of digital assets		120,580	-
Balance - March 31, 2022 (unaudited)	\$	868,835	208

NOTE 8 - INTANGIBLE ASSETS

The Company entered the Fuku Purchase Agreement on March 17, 2022, pursuant to which the Company acquired from the vendor thereunder, all of such vendor's right, title and interest to the protocol and source code associated with the development of the Fuku Marketplace, together with all intellectual property rights associated therewith (collectively, the "Fuku Assets"). The total purchase price for the Fuku Assets was agreed between the Company and vendor as 1,212,122 common shares of the Company at \$1.00 per common share. The Company incurred \$20,000 of transaction costs which were capitalized, \$10,000 was not settled as of March 31, 2022.

Pursuant to the Fuku Purchase Agreement, the vendor of the Fuku Assets has agreed and will contribute, for nine months following the closing of such transaction, transitional managerial support for the Fuku Marketplace and strategic consulting services to the Company for running the Fuku Marketplace.

The following table summarizes the Company's contractual obligations, including payments due for each of the next five years and thereafter:

Contractual Obligations	Payments Due by Period				
	Total (\$)	Less than 1 year (\$)	1 – 3 years (\$)	3 – 5 years (\$)	After 5 years (\$)
Fuku contributions ⁽¹⁾	400,000	400,000	-	-	-
Total Contractual Obligations	400,000	400,000	-	-	-

- (1) The total contribution is offset by any amounts to developers for the launch of Fuku Marketplace, a decentralized digital marketplace, consisting of the client facing store front, instance-routing vault registry and registry vault wrapper. The vendor is to deliver the Fuku tokens for the Fuku contributions made by the Company at a future date.

NOTE 9 – INVESTMENTS

On October 15, 2021, the Company entered into a binding letter of intent with the CEO of the Company for the purchase of his holdings in Fantasy Revolution, S.A. a Portuguese company ("Realfevr"). The Company is to issue 833,333 common shares in exchange for 173,710 common shares of Realfevr. The parties entered into the share exchange agreement in relation to this transaction on January 11, 2022, at which time the 833,333 common shares were issued and the Company received the undertaking from the CEO for the delivery for the Realfevr common shares upon completion of Realfevr's corporate reorganization. There is direct link between the \$FEVR token and the business because owners of the token get access to new packs. Since there is this connection management assumed that the \$FEVR is a good proxy for the usage demand. The value of the \$FEVR token declined in the period. The Company recognized loss from revaluation of investment in Realfevr of \$286,987 during the three-month period ended March 31, 2022 (the three-month period ended March 31, 2021 - \$nil); the loss was measured by reference to the decline in the \$FEVR token.

The Company recognized loss from revaluation of investment in Shima 1inch SPV LLC of \$20,626. The fair value was estimated based on the net asset value of the investment partnership as at March 31, 2022.

NOTE 10 – SHARE CAPITAL

Authorized: Unlimited number of voting common shares

	Number of Shares	Amount
Issued and outstanding:		
Balance – December 31, 2020 and March 31, 2021	1	\$ 1
Private placements (i)	69,579,497	8,786,045
Share issuance costs (i) and Note 10(a)	-	(575,763)
Shares issued upon exercise of RSUs (ii)	1,000,000	100
Shares issued for services (iii)	1,630,141	413,085
Shares issued for investments (iv)	1,581,602	591,434
Balance – December 31, 2021	73,791,241	\$ 9,214,902
Private placement (v)	1,495,000	1,495,000
Shares issued for investment (vi)	833,333	500,000
Shares issued for asset acquisition (vii)	1,212,122	1,212,122
Balance – March 31, 2022 (unaudited)	77,331,696	\$ 12,422,024

(i) The Company completed four private placements during the year as follows:

- On April 28, 2021, the Company issued 20,483,334 common shares at \$0.0001 per share for gross proceeds of \$2,048 ("seed capital");
- On July 12, 2021, the Company issued 26,770,000 common shares at \$0.05 per share for gross proceeds of \$1,338,500 ("0.05 round") and incurred \$3,933 in share issuance costs.
- On September 13, 2021, the Company issued 14,375,500 common shares at \$0.20 per share for proceeds of \$2,875,100 ("0.20 round") and incurred \$329,695 in share issuance costs, \$264,000 of which is the fair value of broker warrants; refer to Note 11(a) for more details on the broker warrants. As at December 31, 2021, the Company had a balance of \$25,000 of share subscriptions receivable relating to this private placement.
- On September 24, 2021, the Company issued 500,000 common shares at \$0.20 per share for gross proceeds of \$100,000.
- On October 5, 2021, the Company issued 7,450,663 common shares at \$0.60 per share for gross proceeds of \$4,470,397 ("0.60 round") and incurred \$242,135 in share issuance costs, \$199,280 of which is the fair value of broker warrants; refer to Note 11(a) for more details on the broker warrants. \$36,285 of gross proceeds were received in ETH (Note 7).

(ii) On April 22, 2021, the Company issued 1,000,000 common shares with a fair value of \$100 upon vesting of RSUs issued to the Chief Executive Officer (CEO) of the Company.

(iii) The Company issued 1,630,141 common shares for services rendered during the year ended December 31, 2021, which included 700,000 common shares with a fair value of \$140,000 issued to the father of CEO for corporate business advisory services.

(iv) The Company issued 1,581,602 common shares for investments during the year ended December 31, 2021:

- On August 17, 2021, the Company issued 893,817 common shares with a fair value of \$178,763 to acquire 20,000 common shares of 2821840 Ontario Inc. (Note 9);
- On October 15, 2021, the Company issued 687,785 common shares with a fair value of \$412,671 to acquire 2,000,000 common shares of Rev3al Technologies LLC (Note 9).

(v) On March 3 and 8, 2022, the Company issued 1,495,000 common shares in two tranches at \$1.00 per common share for gross proceeds of \$1,495,000 pursuant to a non-brokered private placement.

(vi) On January 13, 2022, the Company issued 833,333 common shares at \$0.60 per common share pursuant to the share exchange agreement with Fantasy Revolution, S.A. a Portuguese company ("Realfevr").

(vii) On March 28, 2022, the Company issued 1,212,122 common shares at \$1.00 per common share pursuant to the Fuku Purchase Agreement dated March 17, 2022. In accordance with the Fuku Purchase Agreement, the Company acquired from the vendor thereunder, certain protocol and source code associated with the development of the Fuku Marketplace, together with all intellectual property rights associated therewith (collectively, the "Fuku Assets").

NOTE 11 – SHARE-BASED PAYMENT RESERVE

On January 14, 2022, the Company established a long-term performance incentive plan (the “Plan”) which awards selected directors, officers, employees, and consultants the right to purchase a number of common shares. The Plan is intended to help the Company secure and retain the services and provide incentives for increased efforts for the success of the Company. The Board of Directors grants share awards from time to time based on its assessment of the appropriateness of doing so in light of the long-term strategic objectives of the Company, its current stage of development, the need to retain or attract particular key personnel, the number of share awards already outstanding and overall market conditions. Prior to the establishment of the Plan, issuance of stock options was performed on an ad-hoc basis and each grant was approved by the Board of Directors.

a. Share purchase warrants

The Company’s warrants outstanding as at March 31, 2022 and December 31, 2021 and the changes for the year ended December 31, 2021 are as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance – December 31, 2020	-	\$ -
Issued (i)	2,461,754	0.27
Balance – December 31, 2021 and March 31, 2022	2,461,754	\$ 0.27

Warrants outstanding as at March 31, 2022 and December 31, 2021 were as follows:

Expiry Date	Exercise Price	Outstanding Warrants
October 5, 2023	\$ 0.60	39,800
October 5, 2023	1.50	116,954
August 20, 2024	0.20	2,000,000
October 8, 2024	0.60	105,000
October 14, 2024	0.01	200,000
	\$ 0.27	2,461,764

Weighted average remaining contractual life of outstanding warrants is 2.35 years as at March 31, 2022 (2.6 years as at December 31, 2021).

b. Stock Options

Movements in the number of stock options outstanding and their related weighted average exercise prices are as follows:

	Number of Options	Weighted Average Exercise Price
Balance – December 31, 2019 and 2020	-	-
Granted	3,147,000	\$ 0.32
Balance – December 31, 2021	3,147,000	\$ 0.32
Granted	680,000	0.69
Forfeited	(20,000)	0.20
Balance – March 31, 2022 (unaudited)	3,807,000	\$ 0.39

NFT Technologies Inc.

Notes to the Condensed Interim Financial Statements (Unaudited)

For the Three-Month Periods Ended March 31, 2022 and 2021

Expressed in Canadian Dollars except otherwise noted

The Company fair valued the options using the Black-Scholes option pricing model with the following weighted average assumptions:

	At initial recognition
Expected annual volatility	110%
Expected life (in years)	5.00
Expected dividend yield	0%
Risk-free interest rate	1.67%
Expected forfeiture rate	0%

During the three-month period ended March 31, 2022, the Company recognized share-based payments expense of \$745,882 (the three-month period ended March 31, 2021 - \$nil) in share-based payment reserve. The weighted average grant date fair value of stock options is \$0.54 (the three-month period ended March 31, 2021 - \$nil) per option.

The Company made a judgment on the expected annual volatility used in the Black-Scholes calculation due to the newness of the industry and wide swings in values of digital assets and NFTs that the Company works with.

Stock options outstanding and exercisable at December 31, 2021 are as follows:

Range of Exercise Prices	Number of Options Outstanding	Weighted Average Contractual Life	Weighted Average Exercise Price	Number of Options Exercisable	Weighted Average Exercise Price
\$ 0.20	2,213,000	4.6	\$ 0.20	737,662	\$ 0.20
0.60	934,000	4.8	0.60	934,000	0.60
	3,147,000	4.6	\$ 0.32	1,671,662	\$ 0.32

Stock options outstanding and exercisable as at March 31, 2022 are as follows:

Range of Exercise Prices	Number of Options Outstanding	Weighted Average Contractual Life	Weighted Average Exercise Price	Number of Options Exercisable	Weighted Average Exercise Price
\$ 0.20	2,193,000	4.31	\$ 0.20	737,667	\$ 0.20
0.60	1,464,000	4.68	0.60	709,331	0.60
1.00	150,000	4.93	1.00	50,000	1.00
	3,807,000	4.48	\$ 0.39	1,496,998	\$ 0.42

c. Restricted share units (RSUs)

On April 22, 2021, the Company entered into an agreement with the Chief Executive Officer of the Company whereby the Company issued 2,000,000 restricted share units ("RSU") with a fair value of \$100. The Company will issue one common share for each RSU upon vesting. The RSU's vest as follows: 1,000,000 vest upon execution of the agreement; 333,333 vest on April 22, 2022; 333,333 vest on October 22, 2022; and 333,334 vest on April 22, 2023.

	Number of RSUs	Weighted Average Price
Balance – December 31, 2020	-	\$ -
Issued	2,000,000	0.0001
Vested and converted	(1,000,000)	0.0001
Balance – December 31, 2021 and March 31, 2022	1,000,000	\$ 0.0001

d. Performance share units (PSUs)

On October 8, 2021, the Company issued 1,100,000 PSUs with a fair value of \$660,000. The Company will issue one common share for each PSU upon vesting. The PSUs vest upon successful completion of a going public transaction.

NFT Technologies Inc.**Notes to the Condensed Interim Financial Statements (Unaudited)****For the Three-Month Periods Ended March 31, 2022 and 2021**

Expressed in Canadian Dollars except otherwise noted

During the three-month period ended March 31, 2022, the Company recognized share-based payments expense of \$191,512 related to PSUs issued (the three-month period ended March 31, 2021 - \$nil).

	Number of RSUs	Weighted Average Price
Balance – December 31, 2020	-	\$ -
Issued	1,100,000	0.60
Balance – December 31, 2021 and March 31, 2022	1,100,000	\$ 0.60

NOTE 12 – RELATED PARTY TRANSACTIONS AND BALANCES**Key management personnel compensation**

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company defines key management personnel as being the directors and key officers.

The compensation awarded to key management personnel is as follows:

For the three-month period ended:	March 31, 2022 (unaudited)	March 31, 2021
Management fees	\$ 145,319	\$ 63,000
Director fees	4,073	-
Share-based payments	110,952	-
Total compensation	\$ 260,344	\$ 63,000

The management and director fees owed to key management personnel:

As at:	March 31, 2022 (unaudited)	December 31, 2021
CEO	\$ 41,654	\$ 22,073
Executive Chairman	175,000	112,584
Former CFO	-	2,662
Director	785	-
Finance manager	-	4,776
Total management fees payable included in trade payables and accrued liabilities balance in the statement of financial position	\$ 217,439	\$ 142,065

Other related party transactions

For the three-month period ended:	March 31, 2022 (unaudited)	March 31, 2021
Development and marketing costs paid to a legal entity controlled by CEO	\$ 199,438	\$ -
Consulting fees charged by the entity controlled by CFO	1,575	-
Share-based payments to the father of CEO due to vesting of stock options	44,578	-
Total expenses incurred with legal entities and individuals related to key management personnel and the Company	\$ 245,591	\$ -

Other related party balances

Balances from other related party transactions:

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As at:	March 31, 2022 (unaudited)	December 31, 2021
Prepaid development costs charged by the legal entity controlled by CEO (included in prepaid expenses balance)	\$ 76,722	\$ 99,390
Other balance owed to Executive Chairman (included in trade payables and accrued liabilities balance)	618	584

NOTE 13 – FINANCIAL INSTRUMENTS AND DIGITAL ASSETS

Fair values

When measuring the fair value of a financial asset, a liability or a digital asset, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs in the valuation techniques as follows:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at March 31, 2022.

	Level 1	Level 2	Level 3	Total
Digital assets	\$ -	\$ 868,835	\$ -	\$ 868,835
Investments	-	-	438,963	438,963
	\$ -	\$ 868,835	\$ 438,963	\$ 1,307,798

Digital assets and risk management

Digital assets are measured using level two fair values, determined by taking the rate from Coingecko.com at 4PM Pacific Standard Time (PST).

Digital asset prices are affected by various forces including global supply and demand, interest rates, exchange rates, inflation and deflation, and the global political and economic conditions. The profitability of the Company is directly related to the current and future market price of digital assets; in addition, the Company not able to liquidate its holdings of digital assets at its desired price if required. A decline in the market prices for digital assets could negatively impact the Company's future operations. The Company has not hedged the conversion of any of its sales of digital assets.

Digital assets have a limited history and the fair value historically has been very volatile. Historical performance of digital assets is not indicative of their future performance. The Company's digital assets currently solely consist of ETH and stable coins.

As at March 31, 2022, had the market price of the Company's holdings of digital assets increased or decreased by 10% with all other variables held constant, the corresponding asset value increase or decrease respectively would amount to approximately \$87,000 (as at December 31, 2021- \$44,000).

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Change in assumptions could significantly affect the estimates.

Investments and risk management

Investments are measured using level three fair values, determined by valuation model and assumptions estimated by management.

Investment valuations are affected by various factors including financial position, results from operations and foreseeable future cash flows from operations of investees. Investees have limited history of operations and there is no certainty that their strategic objectives and goals will be achieved, and there is no guarantee that shareholders' value will increase or be sustained

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even if these strategic objectives and goals are achieved. Management recognizes and monitors performance of investees and makes appropriate adjustments to the assumptions and valuation model, if necessary. The investments valuations are susceptible to high volatilities and actual fair values may significantly differ from management's estimates.

The following table summarizes the classification of the Company's financial instruments under IFRS 9:

Financial assets	
Cash	Amortized cost
Restricted cash	Amortized cost
Note receivable	Amortized cost
Digital assets	FVTOCI
Investments	FVTPL
Financial liabilities	
Trade payables and accrued liabilities	Amortized cost
Advances payable	Amortized cost

Capital and Risk Management

The Company's objective and policies for managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company manages its capital structure and makes changes based on economic conditions, risks that impact the operations and future significant capital investment opportunities. In order to maintain or adjust its capital structure, the Company may issue new equity instruments or raise additional debt financing.

The Company is exposed to a variety of financial risks by virtue of its activities: market risk, interest rate risk, liquidity risk, and foreign currency risk. The Board of Directors has overall responsibility for the determination of the Company's capital and risk management objectives and policies while retaining ultimate responsibility for them. The Company's overall capital and risk management program has not changed throughout the year. It focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on financial performance. Risk management is carried out by the finance department under policies approved by the Board of Directors. The finance department identifies and evaluates financial risks in close cooperation with management.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to market interest rate risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company generally relies on external financing or key management to provide sufficient liquidity to meet budgeted operating requirements. The following tables set forth details of the payment profile of financial liabilities based on their undiscounted cash flows as at December 31, 2021 and March 31, 2022:

	Total carrying amount	Contractual cash flows	Less than 1 year	1 to 5 years	More than 5 years
Trade payables and accrued liabilities	\$ 215,131	\$ 215,131	\$ 215,131	\$ -	\$ -
Advances payable	30,575	30,575	30,575	-	-
Total	\$ 245,706	\$ 245,706	\$ 245,706	\$ -	\$ -

	Total carrying amount	Contractual cash flows	Less than 1 year	1 to 5 years	More than 5 years
Trade payables and accrued liabilities	\$ 600,743	\$ 600,743	\$ 600,743	\$ -	\$ -
Total	\$ 600,743	\$ 600,743	\$ 600,743	\$ -	\$ -

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Taking into consideration the Company's current cash position, volatile equity markets, global uncertainty in the capital markets and increasing cost pressures, the Company is continuing to review its needs to seek financing opportunities in accordance to its capital risk management strategy.

Foreign currency risk

Foreign currency risk is defined as the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company maintains financial instruments and enters into transactions denominated in foreign currencies, principally in USD, which exposes the Company to fluctuating balances and cash flows due to various in foreign exchange rates.

The table below indicates the foreign currencies to which the Company has significant exposure as at December 31, 2021 and March 31, 2022 in Canadian dollar terms:

	March 31, 2022 (unaudited)	December 31, 2021
Cash	\$ 137,374	\$ 419,931
Trade payables and accrued liabilities	(116,853)	(57,985)
Net monetary assets	\$ 20,521	\$ 361,946

Assuming all other variables remain constant, a fluctuation of +/- 5.0% in the exchange rate between CAD and USD would impact the net loss by approximately \$1,000 in the three-month period ended March 31, 2022.

NOTE 14 – COMMITMENTS

On November 5, 2021, the Company entered into an advisory services agreement (the "ECMB Agreement") with ECMB Capital Partners Inc. ("ECMB"), pursuant to which the Company agreed to pay to ECMB, in exchange for investor relation services provided by ECMB during the term: (i) a corporate finance fee in amounts equal to one percent (1%) of the gross proceeds of the placement of equity or debt received by the Company as a result of introductions made by or transactions managed by ECMB; (ii) a strategic transaction fee in amounts equal to six percent (6%) of the gross proceeds received by the Company in connection to any strategic transaction initiated by ECMB, including, but not limited to, mergers, acquisitions, and strategic agreements; and (iii) an option (the "ECMB Option") to purchase up to 51,000 common shares in the Company following any public offering by the Company ("Potential Offering"). The exercise price of the ECMB Option shall be the lesser of either the published common share offering price under a Potential Offering or \$0.60. The ECMB Option is payable to ECMB within thirty (30) days of any public offering, exercisable for a period of a two-year, and shall be issued in thirds (17,000 units per issuance) with six (6) month periods between issuances. The term of the ECMB Agreement is for twelve months, with an automatic renewal for an additional twelve months.

On March 18, 2022, the Company entered into a non-binding letter of intent (the "Sherwa LOI") with Sherwa Online Services Inc. ("Sherwa") and certain of the founding shareholders of Sherwa (the "Sherwa Shareholders"), setting forth the terms and conditions of the proposed acquisition by the Company of all of the issued and outstanding shares of Sherwa (the "Sherwa Shares") in consideration for 2,000,000 common shares of the Company.

NOTE 15 – GENERAL AND ADMINISTRATION EXPENSES

	March 31, 2022 (unaudited)	March 31, 2021
For the three-month period ended:		
Depreciation	\$ 2,090	\$ -
Office costs	58,177	-
Professional and consulting fees	291,897	-
Salaries, wages, and benefits	285,183	63,000
Share-based payments	937,394	-
Total general and administration expenses	\$ 1,574,741	\$ 63,000

NOTE 16 – SEGMENT REPORTING

The Company operates in one operating segment. For the purpose of segment reporting, the Company's Executive Chairman is the Chief Operating Decision Maker. The determination of the Company's operating segment is based on its organization structure and how the information is reported to the Executive Chairman on a regular basis.

The Company's non-current assets by country are as follows:

	March 31, 2022 (unaudited)	December 31, 2021
Canada	\$ 24,419	\$ 23,495
Dubai	31,262	31,262
Portugal	213,013	-
USA	1,426,810	215,314
Total non-current assets	\$ 1,695,504	\$ 270,071

NOTE 17 – EVENTS AFTER REPORTING PERIOD

On April 22, 2022, the Company issued 333,333 common shares upon vesting of RSUs issued to the CEO of the Company.