

Exhibit I

Purpose: To evaluate KTI has met covenants and remaining borrowing capacity

(in \$C'000s)		2022	2021	2020
Current Ratio		2.15	2.29	2.34
Covenant	Greater than 2.0	Met	Met	Met
Assets	Maximum limits	Balance	Balance available	
Receivables		\$ 5,314		
Inventory		3,094		
Borrowing Capacity		8,408		
Line of Credit	\$2.5 million	\$ 650	\$1.8 million	
Term Loan		7,200		
Total Debt		7,850		
Difference		558		
Current Assets		10,881	A	
Covenant:Current Ratio		2.0	B	
Available:Current Liabilities		5,441	A/B	
Existing:Current Liabilities		5,067		
Unused Debt of the LOC		\$ 374		

Conclusion:

The covenant has not been met, and KTI has \$374,000 of unused debt.

Exhibit II

Purpose: To calculate horizontal & vertical analysis of the income statement and balance sheet benchmarked to 2020

	Vertical Analysis						Horizontal Analysis	
	2022		2021		2020		2022	2021
(in C\$'000s)	Audited	% of Revenue	Audited	% of Revenue	Audited	% of Revenue	% Change	% Change
Income Statement								
Revenue	43,200	100.0%	42,180	100.0%	40,854	100.0%	5.7%	3.2%
Cost of sales	34,769	80.5%	32,950	78.1%	31,980	78.3%	8.7%	3.0%
Gross profit	8,431	19.5%	9,230	21.9%	8,874	21.7%	-5.0%	4.0%
Expenses								
Research and development	775	1.8%	770	1.8%	730	1.8%	6.2%	5.5%
Marketing	265	0.6%	235	0.6%	225	0.6%	17.8%	4.4%
General and administrative	4,938	11.4%	4,790	11.4%	4,526	11.1%	9.1%	5.8%
Total expenses	5,978	13.8%	5,795	13.7%	5,481	13.4%	9.1%	5.7%
Operating income	2,453	5.7%	3,435	8.1%	3,393	8.3%	-27.7%	1.2%
Finance expense	473	1.1%	496	1.2%	518	1.3%	-8.7%	-4.2%
Income before taxes	1,980	4.6%	2,939	7.0%	2,875	7.0%	-31.1%	2.2%
Income taxes	515	1.2%	770	1.8%	753	1.8%	-31.6%	2.3%
Net Income	1,465	3.4%	2,169	5.1%	2,122	5.2%	-31.0%	2.2%
	Vertical Analysis						Horizontal Analysis	
	2022		2021		2020		2022	2021
	Audited	% of Total Assets	Audited	% of Total Assets	Audited	% of Total Assets	% Change	% Change
Balance Sheet								
Assets								
Current assets								
Cash and cash equivalents	1,023	5.6%	1,954	10.7%	984	5.8%	4.0%	98.6%
Accounts receivable	5,314	29.3%	4,851	26.5%	4,494	26.3%	18.2%	7.9%
Inventories	3,094	17.0%	2,768	15.1%	2,718	15.9%	13.8%	1.8%
Prepaid supplies and expenses	1,450	8.0%	1,212	6.6%	1,203	7.0%	20.5%	0.7%
Total current assets	10,881	59.9%	10,785	58.9%	9,399	55.1%	15.8%	14.7%
Property, plant, and equipment — net	7,282	40.1%	7,540	41.1%	7,671	44.9%	-5.1%	-1.7%
Total assets	18,163	100.0%	18,325	100.0%	17,070	100.0%	6.4%	7.4%
Liabilities								
Current liabilities								
Line of credit	650	3.6%	570	3.1%	545	3.2%	19.3%	4.6%
Trade payables and accrued liabilities	3,853	21.2%	3,408	18.6%	3,010	17.6%	28.0%	13.2%

Exhibit II (continued)

Income taxes payable	164	0.9%	331	1.8%	64	0.4%	156.3%	417.2%
Current portion — term loan	400	2.2%	400	2.2%	400	2.3%	0.0%	0.0%
Total current liabilities	5,067	27.9%	4,709	25.7%	4,019	23.5%	26.1%	17.2%
Long-term debt — term loan	6,800	37.4%	7,200	39.3%	7,600	44.5%	-10.5%	-5.3%
Deferred income taxes	1,204	6.6%	1,169	6.4%	1,053	6.2%	14.3%	11.0%
Total liabilities	13,071	72.0%	13,078	71.4%	12,672	74.2%	3.1%	3.2%
Share capital	300	1.7%	300	1.6%	300	1.8%	0.0%	0.0%
Retained earnings	4,792	26.4%	4,947	27.0%	4,098	24.0%	16.9%	20.7%
Total shareholders' equity	5,092	28.0%	5,247	28.6%	4,398	25.8%	15.8%	19.3%
Total liabilities and shareholders' equity	18,163	100.0%	18,325	100.0%	17,070	100.0%	6.4%	7.4%

Exhibit III

Purpose: To calculate Financial Ratios

	2022	2021	2020	Industry	Trend	Industry comparison
R&D - % of revenue	1.8%	1.8%	1.8%	2.0%	Steady	Lower
Marketing - % of revenue	0.6%	0.6%	0.6%	2.6%	Steady	Lower
G&A - % of revenue	11.4%	11.4%	11.1%	14.0%	Steady	Lower
Return on assets	8.0%	12.3%		10.0%	Decreasing	Lower
Total debt-to-assets ratio	0.72	0.71	0.74	0.40	Steady	Higher
Current ratio	2.1	2.3	2.3	2.5	Decreasing	Lower
Days in receivable	43	41		37	Increasing	Higher
Days in inventory	31	31		45	Steady	Lower
Operating margin	5.7%	8.1%	8.3%	10.6%	Decreasing	Lower
Profit margin	3.4%	5.1%	5.2%	7.0%	Decreasing	Lower
Gross profit margin	20%	22%	22%	24%	Decreasing	Lower
Revenue growth (BM:2020)	5.7%	3.2%		4.7%	Decreasing	Higher

Exhibit IV

Purpose: To calculate the net present value of contract with Home Taste Koffee Inc based on forecasted sales.

Forecasted - 100% Volumes	2023	2024	2025	2026	2027	2028				
Single-serving pod revenue	\$	2,762,500	\$	2,890,000	\$	2,932,500	\$	2,932,500	\$	2,932,500
Double-serving pod revenue		4,605,500		4,756,500		4,907,500		4,907,500		4,907,500
Triple-serving pod revenue		5,023,200		5,241,600		5,350,800		5,350,800		5,350,800
Total revenue		12,391,200		12,888,100		13,190,800		13,190,800		13,190,800
Direct materials (51% of sales)		(6,319,512)		(6,572,931)		(6,727,308)		(6,727,308)		(6,727,308)
Direct labour (4% of sales)		(495,648)		(515,524)		(527,632)		(527,632)		(527,632)
Packaging costs (3.2% of sales)		(396,518)		(412,419)		(422,106)		(422,106)		(422,106)
Production costs		(375,000)		(375,000)		(375,000)		(375,000)		(375,000)
Gross profit		4,804,522		5,012,226		5,138,754		5,138,754		5,138,754
Research assistant salary		(75,000)		(75,000)		(75,000)		(75,000)		(75,000)
Annual research supplies		(25,000)		(25,000)		(25,000)		(25,000)		(25,000)
Warehousing costs		(80,000)		(80,000)		(80,000)		(80,000)		(80,000)
Marketing costs		(50,000)		(50,000)		(50,000)		(50,000)		(50,000)
G&A (Note 1)		-		-		-		-		-
Operating profit		4,574,522		4,782,226		4,908,754		4,908,754		4,908,754
Income tax (26.5%)		(1,212,248)		(1,267,290)		(1,300,820)		(1,300,820)		(1,300,820)
Working capital Investment (16%)	(1,982,592)	(79,504)		(48,432)		-		-		2,110,528
Cost of test samples for HTK	(1,500)									
Test sample revenue	1,000									
Equipment purchase/disposal	(6,500,000)									1,350,000
Warehouse addition	(900,000)									
Tax shield - Equipment (Note 2)	1,459,746									-
Tax shield - Warehouse	64,173									-
Net cashflows	(7,859,174)	3,282,769		3,466,504		3,607,934		3,607,934		7,068,462
Discounted cashflows (18%)	(7,859,174)	\$12,418,120								
Net present value	\$	4,558,946								

Conclusion: The net present value of the HTK contract based on 100% volume is \$4,558,946.

Note 1:

G&A is not a incremental cash flow, due to being 10% of existing G&A

Note 2:

Class 53 CCA eligible for 100% reduction.

DO NOT MARK

Tax Shield Calculations	Equipment	Warehouse
Capital Expenditure	\$6,500,000	\$900,000
Tax Rate	26.5%	26.5%
CCA Rate	50%	6%
Discount Rate	18%	18%

Depreciation Policy		2024	2025	2026
Equipment	15%	975,000	828,750	704,438
Warehouse	4%	36,000	34,560	33,178
Total		1,011,000	863,310	737,615

Exhibit V

Purpose: To calculate the net present value of contract with Home Taste Koffee Inc based on minimum sales (80% of forecast).

Minimum - 80% Volumes	2023	2024	2025	2026	2027	2028
Single-serving pod revenue	\$ 2,210,000	\$ 2,312,000	\$ 2,346,000	\$ 2,346,000	\$ 2,346,000	\$ 2,346,000
Double-serving pod revenue	3,684,400	3,805,200	3,926,000	3,926,000	3,926,000	3,926,000
Triple-serving pod revenue	4,018,560	4,193,280	4,280,640	4,280,640	4,280,640	4,280,640
Total revenue	9,912,960	10,310,480	10,552,640	10,552,640	10,552,640	10,552,640
Direct materials (51% of sales)	(5,055,610)	(5,258,345)	(5,381,846)	(5,381,846)	(5,381,846)	(5,381,846)
Direct labour (4% of sales)	(396,518)	(412,419)	(422,106)	(422,106)	(422,106)	(422,106)
Packaging costs (3.2% of sales)	(317,215)	(329,935)	(337,684)	(337,684)	(337,684)	(337,684)
Production costs	(375,000)	(375,000)	(375,000)	(375,000)	(375,000)	(375,000)
Gross profit	3,768,617	3,934,781	4,036,004	4,036,004	4,036,004	4,036,004
Research assistant salary	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)
Annual research supplies	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)
Warehousing costs	(80,000)	(80,000)	(80,000)	(80,000)	(80,000)	(80,000)
Marketing costs	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
G&A (Note 1)	-	-	-	-	-	-
Operating profit	3,538,617	3,704,781	3,806,004	3,806,004	3,806,004	3,806,004
Income tax (26.5%)	(937,734)	(981,767)	(1,008,591)	(1,008,591)	(1,008,591)	(1,008,591)
Working capital Investment (16%)	(1,586,074)	(63,603)	(38,746)	-	-	1,688,422
Cost of test samples for HTK	(1,500)					
Test sample revenue	1,000					
Equipment purchase/disposal	(6,500,000)					1,350,000
Warehouse addition	(900,000)					
Tax shield - Equipment (Note 2)	1,459,746					-
Tax shield - Warehouse	64,173					-
Net cashflows	(7,462,655)	2,537,281	2,684,268	2,797,413	2,797,413	5,835,835
Discounted cashflows (18%)	(7,462,655)	\$9,774,400.53				
Net present value	\$ 2,311,745					

Conclusion: The net present value of the HTK contract based on 80% volume is positive \$2,311,745.

Note 1:

G&A is not a incremental cash flow, due to being 10% of existing G&A

Note 2:

Class 53 CCA eligible for 100% reduction.

DO NOT MARK

Tax Shield Calculations	Equipment	Warehouse
Capital Expenditure	\$6,500,000	\$900,000
Tax Rate	26.5%	26.5%
CCA Rate	50%	6%
Discount Rate	18%	18%

Depreciation Policy		2024	2025	2026
Equipment	15%	975,000	828,750	704,438
Warehouse	4%	36,000	34,560	33,178
Total		1,011,000	863,310	737,615

Exhibit VI

Purpose: To determine if key financial objectives are met under the HTK proposal by 2026.

HTK Proposal

Forecasted - 100% Volumes

Key Financial Objectives	2024	2025	2026	Result
#1 - Increase gross profit margin to 25% of revenue	24%	24%	24%	Not Met
#2 - 30% of revenues from non-private-label product sales	22%	23%	23%	Not Met
Note 1 #3 - 50% of operating profits from non-private-label product sales	49%	49%	50%	Met

Minimum - 80% Volumes

Key Financial Objectives	2024	2025	2026	Result
#1 - Increase gross profit margin to 25% of revenue	23%	23%	23%	Not Met
#2 - 30% of revenues from non-private-label product sales	19%	19%	20%	Not Met
Note 1 #3 - 50% of operating profits from non-private-label product sales	48%	52%	52%	Met

Conclusion:

Under both Forecasted and Minimum volumes, HTK does not meet any of key financial objectives

Note 1: Project's operating income is calculated using the accounting policy for depreciation instead of CCA. However, due to KTI's 2022 benchmark operating amount, % of operating income will have slight difference due to depreciation expense remaining constant.

Exhibit VII

Purpose: To determine payback period for KTI Branded Tea Proposal including sensitivity analysis for exchange rate.

EXPECTED:

Cash flow if exchange rate is US \$1 = CAD \$1.35	2023	2024	2025	2026	
	Oct to Dec	Jan to Dec	Jan to Dec	Jan to Dec	
Revenue from Canadian customers	\$ 990,000	\$ 9,900,000	\$ 13,750,000	\$ 18,687,500	
Revenue from U.S. customers (converted to CAD\$)	384,750	9,234,000	13,626,563	19,305,000	
Total revenue	1,374,750	19,134,000	27,376,563	37,992,500	
Cost per unit sold	(800,400)	(10,805,400)	(15,424,375)	(20,376,850)	
Shipping cost (Canadian sales)	(39,600)	(396,000)	(550,000)	(747,500)	
Shipping costs (U.S. sales)	(23,085)	(554,040)	(817,594)	(1,158,300)	
Commission to U.S. sales agent	(26,933)	(646,380)	(953,859)	(1,351,350)	
Marketing cost - Canada	(725,000)	(1,450,000)	(1,450,000)	(1,450,000)	
Marketing cost - U.S.	(1,375,000)	(2,150,000)	(2,150,000)	(2,150,000)	
Annual expense - R&D	(137,500)	(550,000)	(550,000)	(550,000)	Note 1
Annual expense - warehousing costs	(200,000)	(800,000)	(800,000)	(800,000)	Note 1
Annual expense - general and administration	(135,000)	(540,000)	(540,000)	(540,000)	Note 1
Total expenses	(3,462,518)	(17,891,820)	(23,235,828)	(29,124,000)	
CCA - equipment	(2,500,000)	-	-	-	Ex XVI
CCA - warehouse	(108,000)	(65,520)	(61,589)	(57,893)	Ex XVI
Net income before taxes	(4,695,768)	1,176,660	4,079,146	8,810,607	
Tax expense (26.5%)	-	-	(148,410)	(2,334,811)	Note 4
Net income	(4,695,768)	1,176,660	3,930,735	6,475,796	
Add back non-cash items: CCA equipment	2,500,000	-	-	-	
Add back non-cash items: CCA warehouse	108,000	65,520	(61,589)	(57,893)	
Yearly cash flows	\$ -2,087,768	\$ 1,242,180	\$ 3,869,147	\$ 6,417,902	

Payback period:

	Cash flows	Cumulative
Initial investment	\$ (4,200,000)	\$ (4,200,000)
2023 (Oct-Dec)	\$ (2,087,768)	\$ (6,287,768)
2024	\$ 1,242,180	\$ (5,045,588)
2025	\$ 3,869,147	\$ (1,176,441)
2026	\$ 6,417,902	\$ 5,241,462
Payback period	2.43 years	Met

Exhibit VII (continued)

WORST-CASE:

	2023		2024		2025		2026	
	<i>Cash flow if exchange rate is US \$1 = CAD \$0.98</i>		Oct to Dec	Jan to Dec	Jan to Dec	Jan to Dec	Jan to Dec	Jan to Dec
Revenue from Canadian customers	\$	990,000	\$	9,900,000	\$	13,750,000	\$	18,687,500
Revenue from U.S. customers (converted to CAD\$)		279,300		6,703,200		9,891,875		14,014,000
Total revenue		1,269,300		16,603,200		23,641,875		32,701,500
Cost per unit sold		(800,400)		(10,805,400)		(15,424,375)		(20,376,850)
Shipping cost (Canadian sales)		(39,600)		(396,000)		(550,000)		(747,500)
Shipping costs (U.S. sales)		(16,758)		(402,192)		(593,513)		(840,840)
Commission to U.S. sales agent		(19,551)		(469,224)		(692,431)		(980,980)
Marketing cost - Canada		(725,000)		(1,450,000)		(1,450,000)		(1,450,000)
Marketing cost - U.S.		(1,375,000)		(2,150,000)		(2,150,000)		(2,150,000)
Annual expense - R&D		(137,500)		(550,000)		(550,000)		(550,000) Note 1
Annual expense - warehousing costs		(200,000)		(800,000)		(800,000)		(800,000) Note 1
Annual expense - general and administration		(135,000)		(540,000)		(540,000)		(540,000) Note 1
Total expenses		(3,448,809)		(17,562,816)		(22,750,319)		(28,436,170)
CCA - equipment		(2,500,000)		-		-		- Ex XVI
CCA - warehouse		(108,000)		(65,520)		(61,589)		(57,893) Ex XVI
Net income before taxes		(4,787,509)		(1,025,136)		829,967		4,207,437
Tax expense (26.5%)		-		-		-		- Note 5
Net income		(4,787,509)		(1,025,136)		829,967		4,207,437
Add back non-cash items: CCA equipment		2,500,000		-		-		-
Add back non-cash items: CCA warehouse		108,000		65,520		61,589		57,893
Yearly cash flows	\$	-2,179,509	\$	-959,616	\$	891,556	\$	4,265,330

Payback period:

	Cash flows	Cumulative
Initial investment	\$ (4,200,000)	\$ (4,200,000)
2023 (Oct-Dec)	\$ (2,179,509)	\$ (6,379,509)
2024	\$ (959,616)	\$ (7,339,125)
2025	\$ 891,556	\$ (6,447,569)
2026	\$ 4,265,330	\$ (2,182,239)
Payback period	N/A years	Not Met

Conclusion: The payback period for Expected scenario is 2.43 years. The payback period for Worst-Case scenario is none, as the initial investment is not recovered in 2026.

DO NOT MARK

Exchange rate:

	US	CAD
Current	\$ 1.00	\$ 1.35
Historic	\$ 1.00	\$ 0.98

Forecast of sales:

	2023	2024	2025	2026
	Oct to Dec	Jan to Dec	Jan to Dec	Jan to Dec
# of Canadian customers	30	75	100	125
Units sold per Canadian customer	300	1200	1250	1300
Selling price per unit sold for Canadian customer (C\$)	\$ 110	\$ 110	\$ 110	\$ 115
# of U.S. customers	10	60	85	110
Units sold per U.S. customer	300	1200	1250	1300
Selling price per unit sold for U.S. customer (US\$)	\$ 95	\$ 95	\$ 95	\$ 100

Additional data:

Cost per unit sold (C\$)	\$ 66.70
Shipping costs (% of Canadian sales)	4%
Shipping costs (% of U.S. sales)	6%
Commission paid to U.S. sales agent (% of U.S. sales)	7%

	2023	2024	2025	2026
Marketing costs (Canada) (in C\$)	\$ 725,000	\$ 1,450,000	\$ 1,450,000	\$ 1,450,000
Marketing costs (U.S.) (in C\$)	\$ 1,375,000	\$ 2,150,000	\$ 2,150,000	\$ 2,150,000

Annual expenditure:

R&D	\$ 550,000
Warehousing costs	\$ 800,000
General and administration	\$ 540,000

Page 46 data:

New equipment	\$	2,500,000
Addition to warehouse	\$	1,200,000
Equipment	Class 53	
Class 53 - declining balance		50%
CCA rate declining balance (warehouse addition)		6%
Initial working capital investment	\$	500,000

DO NOT MARK**Note 1: 2023 annual expenses are pro-rated due to time frame of October to December 2023.****Note 2: Equipment - CCA calculation**

	2023	2024	2025	2026
UCC beginning of year	\$ -	\$ -	\$ -	\$ -
Add: purchases	2,500,000	-	-	-
Deduct: dispositions (lower of cost or proceeds)	-	-	-	-
UCC before adjustment	2,500,000	-	-	-
Add: net amount (All)	2,500,000	-	-	- All applicable first year only.
UCC before CCA	5,000,000	-	-	-
Deduct: CCA for the year	(2,500,000)	-	-	- See Class 53 below.
Subtract: net amount (All)	(2,500,000)	-	-	- All applicable first year only.
UCC at end of year	\$ -	\$ -	\$ -	\$ -
Class 53: CCA claim for 100% of net additions is permitted.				
Depreciation-Accounting policy-Machine (average 15%)	\$ 375,000	\$ 318,750	\$ 270,938	\$ 230,297

Note 3: Warehouse - CCA calculation

	2023	2024	2025	2026
UCC beginning of year	\$ -	\$ 1,092,000	\$ 1,026,480	\$ 964,891
Add: purchases	1,200,000	-	-	-
Deduct: dispositions (lower of cost or proceeds)	-	-	-	-
UCC before adjustment	1,200,000	1,092,000	1,026,480	964,891
Add: 1/2 net amount (All)	600,000	-	-	- All applicable first year only.
UCC before CCA	1,800,000	1,092,000	1,026,480	964,891
Deduct: CCA for the year	(108,000)	(65,520)	(61,589)	(57,893)
Subtract: 1/2 net amount (All)	(600,000)	-	-	- All applicable first year only.
UCC at end of year	\$ 1,092,000	\$ 1,026,480	\$ 964,891	\$ 906,998
Depreciation-Accounting policy-Buildings (4%)	\$ 48,000	\$ 46,080	\$ 44,237	\$ 42,467

Note 4: Non-capital loss carry forward for Expected scenario

Assumption: non-capital loss is carried forward.

Non-capital loss in 2023	\$ -4,695,768
Tax rate	26.50%
Non-capital loss carry forward	<u>\$ -1,244,378</u>

	2024	2025	2026
Net income before taxes (prior to carry forward)	\$ 1,176,660	\$ 4,079,146	\$ 8,810,607
Tax expense (26.5%)	\$ -311,815	\$ -1,080,974	\$ -2,334,811
Non-capital loss carry forward	\$ 311,815	\$ 932,563	0
Total taxes paid	<u>\$ -</u>	<u>\$ -148,410</u>	<u>\$ -2,334,811</u>

Non-capital loss carry forward balance:

Non-capital loss carry forward	\$ 1,244,378
Amount applied to 2024	<u>\$ -311,815</u>
Non-capital loss carry forward remaining	\$ 932,563
Amount applied to 2025	<u>\$ -932,563</u>
All non-capital loss carry forward used	\$ -

Note 5: Non-capital loss carry forward for Worst-case scenario

Assumption: non-capital loss is carried forward.

Non-capital loss in 2023	(4,787,509)
Non-capital loss in 2024	<u>(1,025,136)</u>
Total non-capital loss	(5,812,645)
Tax rate	26.50%
Non-capital loss carry forward	<u>- 1,540,350.93</u>

	2025	2026
Net income before taxes (prior to carry forward)	829,967	4,207,437
Tax expense (26.5%)	- 219,941.4	- 1,114,970.7
Non-capital loss carry forward	<u>219,941.4</u>	<u>1,114,970.7</u>
Total taxes paid	<u>-</u>	<u>-</u>

Non-capital loss carry forward balance:

Non-capital loss carry forward	1,540,350.93
Amount applied to 2025	<u>- 219,941.4</u>
Non-capital loss carry forward remaining	1,320,409.55
Amount applied to 2026	<u>- 1,114,970.7</u>
All non-capital loss carry forward used	<u>205,438.87</u>

KTI is left with this amount to carry-forward to future years.

Exhibit VIII

Purpose: To determine if key financial objectives are met under KTI Branded Tea proposal by 2026.

KTI Branded Tea Proposal

Expected - US \$1 = CAD \$1.35

Key Financial Objectives	2024	2025	2026	Result
#1 - Increase gross profit margin to 25% of revenue	27%	29%	32%	Met
#2 - 30% of revenues from non-private-label product sales	31%	39%	47%	Met
Note 1 #3 - 50% of operating profits from non-private-label product sales	17%	23%	29%	Not Met

Worst-Case - US \$1 = CAD \$0.98

Key Financial Objectives	2024	2025	2026	Result
#1 - Increase gross profit margin to 25% of revenue	24%	25%	27%	Met
#2 - 30% of revenues from non-private-label product sales	28%	35%	43%	Met
Note 1 #3 - 50% of operating profits from non-private-label product sales	7%	13%	20%	Not Met

Conclusion:

Under both Expected and Worst-Case scenarios, KTI Branded Tea meets 2 key financial objectives.

Note 1: Project's operating income is calculated using the accounting policy for depreciation instead of CCA. However, due to KTI's 2022 benchmark operating amount, % of operating income will have slight difference due to depreciation expense remaining constant

DO NOT MARK

Increase gross profit margin to 25% of revenue	Metric	2023		2024		2025		2026	
		Expected	Worst case	Expected	Worst case	Expected	Worst case	Expected	Worst case
Total Revenue	\$	1,374,750	\$ 1,269,300	\$ 19,134,000	\$ 16,603,200	\$ 27,376,563	\$ 23,641,875	\$ 37,992,500	\$ 32,701,500
Total COGS	\$	-800,400	\$ -800,400	\$ -10,805,400	\$ -10,805,400	\$ -15,424,375	\$ -15,424,375	\$ -20,376,850	\$ -20,376,850
Gross Profit	\$	574,350	\$ 2,538,600	\$ 8,328,600	\$ 5,797,800	\$ 11,952,188	\$ 8,217,500	\$ 17,615,650	\$ 12,324,650
GPM		20.20%	24.67%	26.89%	23.79%	28.88%	24.91%	32.08%	27.35%

30% of revenues from non-private-label product sales	Metric	2023		2024		2025		2026	
		Expected	Worst case	Expected	Worst case	Expected	Worst case	Expected	Worst case
Total Revenue	\$	1,374,750	\$ 1,269,300	\$ 19,134,000	\$ 16,603,200	\$ 27,376,563	\$ 23,641,875	\$ 37,992,500	\$ 32,701,500
% of Sales		3.08%	2.85%	30.70%	27.76%	38.79%	35.37%	46.79%	43.08%

50% operating profits from non-private-label product sales	Metric	2023		2024		2025		2026	
		Expected	Worse case	Expected	Worst case	Expected	Worst case	Expected	Worst case
Operating Pro	\$	-2,510,768	\$ -2,602,509	\$ 877,350	\$ -1,324,446	\$ 3,825,560	\$ 576,382	\$ 8,595,736	\$ 3,992,566
% of Sales		-0.13%	-11.78%	17.41%	6.80%	22.93%	12.81%	29.08%	19.71%

Exhibit IX

Purpose: To prepare a valuation of Sleeping Hills Tea Estate, using the capitalization of net profits approach.

Sleeping Hills Tea Estate	2023	2022	2021	2020
Income before taxes	₹ 79,741,000	₹ 76,893,100	₹ 53,524,579	₹ 89,520,640
<i>Normalizing items:</i>				
Plant-replacements		(450,000)	(450,000)	
Salary-Market rate	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)
Travel-personal expenses	150,000	350,000	750,000	650,000
Normalized EBITDA	77,891,000	74,793,100	51,824,579	88,170,640
Weighted portion	40%	20%	20%	20%
	31,156,400	14,958,620	10,364,916	17,634,128
Weighted EBITDA	74,114,064			
Less: Income tax 14.00%	(10,375,969)	Appendix VII		
Normalized Cash flow after tax	63,738,095			
Capitalization Multiple (1/Capitalization rate)	5.29	Note 1		
Investment value in Rupee	₹ 337,174,522			
KTI's portion of ownership of SHTE	45%	Appendix VII		
Enterprise value of SHTE-KTI's portion	₹ 151,729,000			
Current Exchange	52.6366	Page 23		
Valuation Total	\$ 2,883,000			
Purchase offer from KTI	\$ 3,100,000	Appendix VII		
Excess Value	<u>\$ (217,000)</u>	CAD		

Conclusion: Using the capitalization of net profits approach, Sleeping Hills Tea Estate value is \$2,883,000 for KTI's 45% portion. This is \$217,000 lower than the asking/purchase price.

Note 1: Weighted average cost of capital (WACC)

Value of debt	10% G	
Market value of debt and equity	100% H	
Cost of debt-before tax	5.20% I	
Marginal tax rate	14% J	
Market value of shares outstanding	90% K	
Cost of equity	20.50% F	
WACC	<u>18.90%</u>	$L = ((G/H) * (I * (1 - J))) + ((K/H) * F)$
Less: Constant future growth rate	<u>0.00%</u>	
WACC-Capitalization rate	<u>18.90%</u>	

Levered Cost of Equity for PRIVATE Co.

Risk-Free rate	3% A
Beta-industry	3.50 B
MR-Premium	5% C
Modified CAPM	<u>20.5%</u> $F = A + (B * C)$

Exhibit X

Purpose: To determine if key financial objectives are met under SHTE proposal by 2026.

SHTE Proposal

Key Financial Objectives	2026	Result
#1 - Increase gross profit margin to 25% of revenue	22%	Not Met
#2 - 30% of revenues from non-private-label product sales	4%	Not Met
#3 - 50% of operating profits from non-private-label product sales	0%	Not Met

Note: Key financial objectives are calculated using a four year weighted average and is assumed to be valid in 2026.

Conclusion: SHTE does not meet ANY of the key financial objectives.

Exhibit XI

Purpose: To calculate WACM and Break-Even Analysis for RTD proposal.

	2024	2025	2026
Volume of singles sold	1,200,000	1,300,000	2,100,000
Volume of six packs sold	650,000	800,000	950,000
Total Units	1,850,000	2,100,000	3,050,000
Revenue-Single pack	3,300,000	3,575,000	5,775,000
Revenue-Six pack	8,385,000	10,320,000	12,255,000
Total Revenue	11,685,000	13,895,000	18,030,000
COGS-Single Pack	2,352,000	2,548,000	4,116,000
COGS-Six pack	6,357,000	7,824,000	9,291,000
Total COGS	8,709,000	10,372,000	13,407,000
Gross Profit	2,976,000	3,523,000	4,623,000
Expenses			
Total Fixed Costs	2,198,497	2,198,497	2,198,497
Total Variable Costs	529,700	613,900	848,600
EBIT (Operating Profit)	247,803	710,603	1,575,903
WACM	\$ 1.32	\$ 1.39	\$ 1.24
Total Break-Even (BE) Volume	1,662,601	1,587,036	1,776,552
% of forecasted volume	90%	76%	58%
BE Volume - Single Pack	1,078,444	982,451	1,223,200
BE Volume - Six Pack	584,157	604,585	553,352

Conclusion: RTD proposal will have WACM per unit of \$1.32 in 2024, \$1.39 in 2025, and \$1.24 in 2026. The break-even for: single pack is: 1,078,444 (2024), 982,451 (2025), and 1,223,200 (2026) and six pack is: 584,157 (2024), 604,585 (2025), and 553,352 (2026).

Notes

(1)			
Calculate PV of Lease			
	PV	\$	7,034,968
	N		120
	I		0.50%
	PMT		77,714
	FV		0
	Depreciation Expense	\$	703,497

(2)			
	Single bottles		Six-pack
Revenue	\$	2.75	\$ 12.90
Variable cost			
Direct materials		0.40	2.50 Product costs
Direct labour		0.25	0.90 Product costs
Other production costs		1.10	5.35 Product costs
Shipping and distribution		0.21	1.03 Product costs
Bonus- 2% of Revenue		0.055	0.258
G&A-Variable		0.16	0.16
Total Variable Cost		<u>2.18</u>	<u>10.20</u>
Contribution Margin	\$	0.575	\$ 2.702

Exhibit XII

Purpose: To determine if key financial objectives are met under the RTD tea-based proposal by 2026.

Ready-to-Drink Tea-Based Product Proposal

Key Financial Objectives	2024	2025	2026	Result
#1 - Increase gross profit margin to 25% of revenue	21%	21%	21%	Not Met
#2 - 30% of revenues from non-private-label product sales	21%	24%	29%	Not Met
#3 - 50% of operating profits from non-private-label product sales	23%	30%	28%	Not Met

Conclusion: RTD does not met any of the above key financial objectives

Exhibit XIII

Purpose: To update the profit or loss and comprehensive income statement to reflect strategic option 2

Kingsdale Tea Inc**Pro-Forma profit or loss and comprehensive income ended December 31**

	Audited 2022	2023	2024	2025	2026
Revenue- Private contract	\$ 43,200,000	\$ 43,200,000	\$ 43,200,000	\$ 43,200,000	\$ 43,200,000
Revenue - KTI brand		1,374,750	19,134,000	27,376,563	37,992,500
Total Revenue	43,200,000	44,574,750	62,334,000	70,576,563	81,192,500
Cost of Sales	34,769,000	35,569,400	45,574,400	50,193,375	55,145,850
Gross Profit	8,431,000	9,005,350	16,759,600	20,383,188	26,046,650
Expenses					
R&D	775,000	912,500	1,325,000	1,325,000	1,325,000
Commission costs		26,933	646,380	953,859	1,351,350
Shipping Costs		62,685	950,040	1,367,594	1,905,800
Depreciation (note 1)		1,348,675	1,141,431	968,934	825,046
Marketing	265,000	2,365,000	3,865,000	3,865,000	3,865,000
Warehousing	-	200,000	800,000	800,000	800,000
G&A	4,938,000	5,073,000	5,478,000	5,478,000	5,478,000
Total Expense	5,978,000	9,988,793	14,205,851	14,758,387	15,550,196
Operating Profit	2,453,000	(983,443)	2,553,749	5,624,800	10,496,454
Finance Expense (note 2)	473,000	408,000	384,000	360,000	336,000
Income before taxes	1,980,000	(1,391,443)	2,169,749	5,264,800	10,160,454
Income taxes (note 3)	(515,000)	(579,025)	(291,085)	(414,672)	(1,712,020)
Net Income before dividends	1,465,000	(1,970,468)	1,878,664	4,850,128	8,448,434
Dividends on preferred shares (5%) (note 4)		(400,000)	(400,000)	(400,000)	(400,000)
Net income for common shares	\$ 1,465,000	\$ (2,370,468)	\$ 1,478,664	\$ 4,450,128	\$ 8,048,434
Opening retained earnings	4,947,000	4,792,000	2,421,533	3,900,196	8,350,324
Dividends paid, Common Shares	(1,620,000)				
Closing retained earnings	\$ 4,792,000	\$ 2,421,533	\$ 3,900,196	\$ 8,350,324	\$ 16,398,758

Conclusion

Based on the pro forma income statement all years have income, expect 2023 with a loss.

Note 1: Depreciation of PP&E	2023	2024	2025	2026
Building	125,200	120,192	115,384	110,769
Mfg Machinery & Equipment	973,950	827,858	703,679	598,127
Furniture, Fixtures, & computers	249,525	193,382	149,871	116,150
Total	1,348,675	1,141,431	968,934	825,046

Exhibit XIII (continued)

Note 2: Financing	2023	2024	2025	2026
H&Y Bank:LOC	-	-	-	-
Keiser Investment Inc: Total Principle Balance	6,800,000	6,400,000	6,000,000	5,600,000
Interest on LOC	3.5% -	-	-	-
Interest on TL	6% 408,000	384,000	360,000	336,000
Total Interest	408,000	384,000	360,000	336,000

Note 3: Income taxes	2022	2023	2024	2025	2026
Accounting Income before taxes	1,980,000	(1,391,443)	2,169,749	5,264,800	10,160,454
Net Depreciation and CCA		(2,185,000)	299,310	253,586	214,871
Net Income for tax purposes	1,811,321	(3,576,443)	2,469,059	5,518,386	10,375,325
Deduct: Non-capital loss carry forward		-	(947,757)	-	-
Taxable Income (loss)	1,811,321	(3,576,443)	1,521,301	5,518,386	10,375,325
Income tax rate	26.5%	26.5%	26.5%	26.5%	26.5%
Income taxes income (expense)-Current	(480,000)	-	(403,145)	(1,462,372)	(2,749,461)
PPE Carrying amount	7,282,000	9,633,325	8,491,894	7,522,959	6,697,913
PPE Tax base (UCC)	2,738,604	2,904,929	5,762,807	8,747,459	11,837,284
Deductible (Taxable) Temporary difference	(4,543,396)	(6,728,396)	(2,729,086)	1,224,499	5,139,370
Tax rate (26.5%)	26.5%	26.5%	26.5%	26.5%	26.5%
Deferred Taxes assets (Liabilities)- Current year	(1,204,000)	(1,783,025)	(723,208)	324,492	1,361,933
Deferred tax assets (liabilities), opening	(1,169,000)	(1,204,000)	(835,268)	(723,208)	324,492
Deferred income tax income (expense)	(35,000)	(579,025)	112,060	1,047,700	1,037,441
Income tax income (expense)-Current year	(480,000)	-	(403,145)	(1,462,372)	(2,749,461)
Total Income tax income (expense)	(515,000)	(579,025)	(291,085)	(414,672)	(1,712,020)

Note 4: These dividends are not deductible for tax purposes, so they are included after tax calculation, but for tax purpose should be included as an finance expense

Exhibit XIV

Purpose: To prepare a statement of financial position to reflect strategic option 2

Kingsdale Tea Inc**Pro-Forma Statement of financial position ended December 31**

	Audited 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026
Assets					
Current assets					
Cash and cash equivalents	\$ 1,023,000	\$ 3,075,074	\$ 4,278,168	\$ 8,338,740	\$ 16,448,654
Accounts receivable	5,314,000	4,518,536	6,318,789	7,154,336	8,230,473
Inventories	3,094,000	4,088,284	4,241,162	4,746,027	4,746,027
Prepaid supplies and expenses (Note 1)	1,450,000	1,337,243	1,870,020	2,117,297	2,435,775
Deferred Income Taxes Receivable (note 3)		-	-	324,492	1,361,933
<i>Total current assets</i>	10,881,000	13,019,137	16,708,139	22,680,892	33,222,861
Property, plant, and equipment — net	7,282,000	9,633,325	8,491,894	7,522,959	6,697,913
<i>Total assets</i>	<u>\$ 18,163,000</u>	<u>\$ 22,652,462</u>	<u>\$ 25,200,032</u>	<u>\$ 30,203,852</u>	<u>\$ 39,920,775</u>
Liabilities					
Current liabilities					
Line of credit	\$ 650,000	\$ -	\$ -	\$ -	\$ -
Trade payables and accrued liabilities (Note 2)	3,853,000	4,268,328	5,468,928	6,023,205	6,617,502
Income taxes payable (Note 3)	164,000	27,333	407,700	1,530,322	3,004,515
Current portion — term loan	400,000	400,000	400,000	400,000	400,000
<i>Total current liabilities</i>	5,067,000	4,695,661	6,276,628	7,953,527	10,022,017
Long-term debt — term loan	6,800,000	6,400,000	6,000,000	5,600,000	5,200,000
Retractable Preferred Shares (Note 5)		8,000,000	8,000,000	8,000,000	8,000,000
Deferred income taxes liability (Note 3)	1,204,000	835,268	723,208	-	-
<i>Total liabilities</i>	13,071,000	19,930,929	20,999,836	21,553,527	23,222,017

Shareholders' equity										
Share capital — 300,000 common shares outstanding		300,000	300,000	300,000	300,000	300,000				
Retained earnings		4,792,000	2,421,533	3,900,196	8,350,324	16,398,758				
Total shareholders' equity		5,092,000	2,721,533	4,200,196	8,650,324	16,698,758				
Total liabilities and shareholders' equity	\$	18,163,000	\$	22,652,462	\$	25,200,032	\$	30,203,852	\$	39,920,775
	Difference	-	-	-	-	-	-	-	-	-

Exhibit XIV (continued)

Total assets, excluding cash		19,577,387	20,921,865	21,865,112	23,472,121
Total Liabilities and equity, excluding LOC		22,652,462	25,200,032	30,203,852	39,920,775
Additional required financing, (surplus Cash)		(3,075,074)	(4,278,168)	(8,338,740)	(16,448,654)
LOC Borrowing capacity, excluding TL		1,806,820	4,159,951	5,900,363	7,376,500
Lesser of LOC borrowing or Credit limit		1,806,820	2,500,000	2,500,000	2,500,000
LOC		-	-	-	-
Covenant		Met	Met	Met	Met

Conclusion: Based on the pro forma statement of financial position, KTI is in compliance with covenants for all years

Note 1: Assuming Prepaid supplies and expense is 3% of revenue

Note 2: Assuming Trade payable and accrued liabilities is 12% of COGS

Note 3: Income taxes	2022	2023	2024	2025	2026
Carryforward of unused tax losses (Exhibit XIII)	-	947,757	-	-	-
Carryforward of unused tax credits					
Deductible(taxable) temporary diff. (Exhibit XIII)	(1,204,000)	(1,783,025)	(723,208)	324,492	1,361,933
Deferred tax receivable (liabilities)	(1,204,000)	(835,268)	(723,208)	324,492	1,361,933
Income tax payable, opening	(331,000)	(164,000)	(27,333)	(407,700)	(1,530,322)
Income tax expense-Current (exhibit XIII)	(480,000)	-	(403,145)	(1,462,372)	(2,749,461)
Income Tax paid	647,000	136,667	22,778	339,750	1,275,269
Income tax Receivable (Payable), ending	(164,000)	(27,333)	(407,700)	(1,530,322)	(3,004,515)

Assuming, KTI makes monthly instalment payments using the preceding year of tax payable and remaining taxes are due within two months of KTI's fiscal year end

Note 4: Assuming, KTI uses Conrad's offer to purchase 80,000 preferred shares for \$8 million. This will be used to pay for the cost of Proposal 2: KTI-branded tea.

DO NOT MARK	2022	2023	2024	2025	2026
Accounts Receivable, opening Balance	4,851,000	5,314,000	4,518,536	6,318,789	7,154,336
Sales	43,200,000	44,574,750	62,334,000	70,576,563	81,192,500
Collections (Assuming: Industry 37)	42,737,000	45,370,214	60,533,747	69,741,015	80,116,364
Accounts Receivable, ending Balance	5,314,000	4,518,536	6,318,789	7,154,336	8,230,473
Inventory, opening Balance	2,768,000	3,094,000	4,088,284	4,241,162	4,746,027
Purchases	35,095,000	36,563,684	45,727,278	50,698,240	55,145,850
Cost of goods sold	34,769,000	35,569,400	45,574,400	50,193,375	55,145,850
Inventory, ending Balance (30 days of inventory)	3,094,000	4,088,284	4,241,162	4,746,027	4,746,027
PP&E, Opening		\$ 7,282,000	\$ 9,633,325	\$ 8,491,894	\$ 7,522,959
Additions		3,700,000			
Amortization		(1,348,675)	(1,141,431)	(968,934)	(825,046)
PP&E, Closing		9,633,325	8,491,894	7,522,959	6,697,913

Exhibit XV

Purpose: To determine if key financial objectives are met under KTI Branded Tea proposal by 2026.

KTI Branded Tea Proposal

Expected - US \$1 = CAD \$1.35

Key Financial Objectives	2024	2025	2026	Result
#1 - Increase gross profit margin to 25% of revenue	27%	29%	32%	Met
#2 - 30% of revenues from non-private-label product sales	31%	39%	47%	Met
#3 - 50% of operating profits from non-private-label product sales	13%	21%	28%	Not met
Financial Objectives: Covenant	2024	2025	2026	
Current ratio above 2.0	2.66	2.85	3.31	
Results	Met	Met	Met	

Conclusion: KTI met 2/3 of the key financial objectives and all the financial objectives.

Exhibit XVI

Purpose: To calculate PPE Schedule for CCA

	Equipment	Warehouse Addition	Buildings	Manufacturing machinery & equipment	Furniture, fixtures, & computers	Total	Note
Class	53	1	1				
% of class	50%	6%	4%	15%	23%		1
UCC 2023, opening	\$ -	\$ -	\$ 1,930,000	\$ 3,993,000	\$ 1,109,000	\$ 7,032,000	
Additions (disposals)	2,500,000	1,200,000				3,700,000	
Net addition	2,500,000	600,000				3,100,000	2
CCA Base	5,000,000	1,800,000	1,930,000	3,993,000	1,109,000	13,832,000	
2023 CCA (% x CCA Base)	(2,500,000)	(108,000)	(77,200)	(598,950)	(249,525)	(3,533,675)	
Net additions	(2,500,000)	(600,000)	-	-	-	(3,100,000)	
UCC 2024, Opening	-	1,092,000	1,852,800	3,394,050	859,475	7,198,325	
2024 CCA (% x UCC 2024)	-	(65,520)	(74,112)	(509,108)	(193,382)	(842,121)	
UCC 2025, Opening	-	1,026,480	1,778,688	2,884,943	666,093	6,356,204	
2025 CCA (% x UCC 2025)	-	(61,589)	(71,148)	(432,741)	(149,871)	(715,349)	
UCC 2026, Opening	-	964,891	1,707,540	2,452,201	516,222	5,640,855	
2026 CCA (% x UCC 2026)	-	(57,893)	(68,302)	(367,830)	(116,150)	(610,175)	
UCC 2026, Ending	\$ -	\$ 906,998	\$ 1,639,239	\$ 2,084,371	\$ 400,072	\$ 5,030,680	

Note 1: Assume Manufacturing and furniture % of class is the average rate

Note 2: Class 53 is eligible for 100% writeoff

DO NOT MARK

Kingsdale Tea Incorporated
Statement of financial position
as at December 31
(under IFRS)
(in C\$'000s)

	AUDITED	AUDITED	AUDITED
	2022	2021	2020
Assets			
Current assets			
Cash and cash equivalents	\$ 1,023	\$ 1,954	\$ 984
Accounts receivable	5,314	4,851	4,494
Inventories	3,094	2,768	2,718
Prepaid supplies and expenses	1,450	1,212	1,203
Total current assets	<u>10,881</u>	<u>10,785</u>	<u>9,399</u>
Property, plant, and equipment — net	7,282	7,540	7,671
Total assets	<u><u>18,163</u></u>	<u><u>18,325</u></u>	<u><u>17,070</u></u>
Liabilities			
Current liabilities			
Line of credit	650	570	545
Trade payables and accrued liabilities	3,853	3,408	3,010
Income taxes payable	164	331	64
Current portion — term loan	400	400	400
Total current liabilities	<u>5,067</u>	<u>4,709</u>	<u>4,019</u>
Long-term debt — term loan	6,800	7,200	7,600
Deferred income taxes	1,204	1,169	1,053
Total liabilities	<u>13,071</u>	<u>13,078</u>	<u>12,672</u>
Shareholders' equity			
Share capital — 300,000 common shares outstanding	300	300	300
Retained earnings	4,792	4,947	4,098
Total shareholders' equity	<u>5,092</u>	<u>5,247</u>	<u>4,398</u>
Total liabilities and shareholders' equity	<u><u>18,163</u></u>	<u><u>18,325</u></u>	<u><u>17,070</u></u>
	-	-	-

DO NOT MARK

Kingsdale Tea Inc
Property, Plant, and Equipment Schedule

Assets	2022	Depreciation Policy	Average rate
Land	\$ 250,000		
Buildings	1,930,000	Declining balance 4%	4%
Manufacturing machinery & Equipment	3,993,000	Declining balance ranging from 10% to 20%	15%
Furniture, Fixtures, and Computers	1,109,000	Declining balance ranging from 20% to 25%	22.5%
Total net book value	<u>\$ 7,282,000</u>		

DO NOT MARK

Kingsdale Tea Incorporated
Partial statement of changes in equity
for the years ended December 31
(under IFRS)
(in C\$'000s)

	AUDITED	AUDITED	AUDITED
	2022	2021	2020
Retained earnings			
Balance — beginning of year	\$ 4,947	\$ 4,098	\$ 1,976
Comprehensive income	1,465	2,169	2,122
Dividends	(1,620)	(1,320)	-
Balance — end of year	<u>4,792</u>	<u>4,947</u>	<u>4,098</u>

DO NOT MARK

Kingsdale Tea Incorporated
Statement of cash flows
for the years ended December 31
(under IFRS)
(in C\$'000s)

	AUDITED	AUDITED
	2022	2021
<u>Operating activities</u>		
Net profit	1,465	2,169
Depreciation	1,098	1,141
Interest expense	473	496
Interest paid	(473)	(496)
Income tax expense	515	770
Income taxes paid	(647)	(387)
Change in working capital balances		
Accounts receivable	(463)	(357)
Inventories	(326)	(50)
Prepaid supplies and expenses	(238)	(9)
Trade payables and accrued liabilities	445	398
Total cash flow from operating activities	<u>1,849</u>	<u>3,675</u>
<u>Investing activities</u>		
Investment in property, plant, and equipment	<u>(840)</u>	<u>(1,010)</u>
<u>Financing activities</u>		
Line of credit	80	25
Repayment mortgage payable	(400)	(400)
Dividends paid	(1,620)	(1,320)
Total cash flow from financing activities	<u>(1,940)</u>	<u>(1,695)</u>
Change in cash	(931)	970
Opening cash and cash equivalents	<u>1,954</u>	<u>984</u>
Closing cash and cash equivalents	<u><u>1,023</u></u>	<u><u>1,954</u></u>

DO NOT MARK

Kingsdale Tea Inc
Partial statement of profit or loss and comprehensive income
For the years ended December 31
(Under IFRS)

	Audited 2022	Audited 2021	Audited 2020
Revenue	\$ 43,200,000	\$ 42,180,000	\$ 40,854,000
Cost of Sales	34,769,000	32,950,000	31,980,000
Gross Profit	8,431,000	9,230,000	8,874,000
Expenses			
R&D	775,000	770,000	730,000
Marketing	265,000	235,000	225,000
G&A	4,938,000	4,790,000	4,526,000
Total Expense	5,978,000	5,795,000	5,481,000
Operating Profit	2,453,000	3,435,000	3,393,000
Finance Expense	473,000	496,000	518,000
Income before taxes	1,980,000	2,939,000	2,875,000
Income taxes	515,000	770,000	753,000
Profit and comprehensive income for the year	1,465,000	2,169,000	2,122,000

DO NOT MARK

Sleeping Hills Tea Estate
Statement of profit or loss
For the years ended March 31
(Under IFRS)
(Unaudited)

	2023	2022	2021	2020
Revenue	₹ 193,108,600	₹ 180,560,700	₹ 170,564,120	₹ 198,041,200
Costs				
Fertilizer	25,557,600	26,557,600	28,996,540	26,996,540
Harvest and processing	62,810,000	54,810,000	65,743,000	54,743,000
Other	25,000,000	22,300,000	22,300,001	26,781,020
Operating Profit/Gross Profit	79,741,000	76,893,100	53,524,579	89,520,640
Income taxes (14%)	11,163,740	10,765,034	7,493,441	12,532,890
Net Profit (Loss)	90,904,740	87,658,134	61,018,020	102,053,530
Weighted	40%	20%	20%	20%
Weighted Revenue	77,243,440	36,112,140	34,112,824	39,608,240
Weighted Operating/GP	31,896,400	15,378,620	10,704,916	17,904,128
		Ownership	FX	CAD
Total weighted Revenue by ownership	187,076,644	45%	84,184,490	53.6366 1,569,534
Total weighted OP/GP by ownership	75,884,064	45%	34,147,829	53.6366 636,652
Revenues in CAD	3,312,858			
9% of KTI total tea purchases	2,600,000	78%		
	712,858	22%		