TUT FITNESS GROUP INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Three Months Ended December 31, 2023

(Unaudited – Prepared by Management)

(EXPRESSED IN UNITED STATES DOLLARS)

MANAGEMENT’S RESPONSIBILITY FOR INTERIM FINANCIAL REPORT

The accompanying unaudited condensed interim consolidated financial report of TUT Fitness Group Inc. (the “Company”) has been prepared by and is the responsibility of the Company’s management. The Company’s independent auditor has not performed a review of this financial report.

TUT FITNESS GROUP INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited – Prepared by Management)
(EXPRESSED IN US DOLLARS)

	Note	December 31, 2023	September 30, 2023
ASSETS			
Current assets			
Cash		$ 12,751	$ 110,454
Trade and other receivables	4	28,252	10,284
Prepaid expenses and deposits	5	9,419	10,004
Inventory		396,410	415,152
		446,832	545,894
Non-current assets			
Property and equipment	6	143,649	152,098
Intangible assets	7	7,901	9,218
Total assets		$ 598,382	$ 707,210
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payables and accrued liabilities	8	$ 343,034	$ 295,082
Lease obligation – current portion	9	33,035	34,002
		376,069	329,084
Non-current liabilities			
Lease obligation	9	83,744	87,889
Total liabilities		459,813	416,973
Equity			
Share capital	11	5,160,881	5,160,881
Share-based payments reserve		1,038,832	998,105
Accumulated other comprehensive income		(141,304)	(173,113)
Deficit		(5,919,840)	(5,695,636)
Total equity		138,569	290,237
Total liabilities and equity		$ 598,382	$ 707,210

Nature of operations and going concern (Note 1)

Approved by the board of directors on April 8, 2024 and signed on its behalf by:

____________________________________Director ____________________________________Director

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

TUT FITNESS GROUP INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
THREE MONTHS ENDED DECEMBER 31
(Unaudited – Prepared by Management)
(EXPRESSED IN US DOLLARS)

	Note	2023	2022
Sales		$ 60,132	$ 79,978
Cost of goods sold		(40,955)	(39,758)
Gross loss		19,177	40,220
Operating expenses			
Accounting and audit		3,675	3,675
Advertising and marketing	10	65,352	101,204
Consulting		-	1,838
Depreciation	6, 7	9,766	21,013
Filing and transfer agent		3,487	3,610
Interest	9	3,979	3,936
Investor relations		724	38,076
Legal fees		18,693	1,202
Management fees	10	27,563	49,613
Office and general		20,075	20,388
Salaries		10,899	10,869
Share-based payments	10, 12	40,727	-
Travel		1,030	7,106
Warehousing		7,631	1,566
		(213,601)	(264,096)
Operating loss		(194,424)	(223,876)
Foreign exchange loss		(29,780)	(10,213)
Net loss for the period		(224,204)	(234,089)
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss:			
Foreign currency translation adjustment		31,809	30,656
Comprehensive loss for the period		$ (192,395)	$ (203,433)
Basic and diluted loss per common share	11	$ (0.01)	$ (0.01)

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

TUT FITNESS GROUP INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)
(Unaudited – Prepared by Management)
(EXPRESSED IN US DOLLARS)

	Note	Number of Shares		Share capital		Share-based payments reserve		Accumulated other comprehensive income (loss)		Deficit		Total equity
Balance, September 30, 2023		36,605,349	$	5,160,881	$	998,105	$	(173,113)	$	(5,695,636)	$	290,237
Share-based payments	12	-		-		40,727		-		-		40,727
Loss for the period		-		-		-		-		(224,204)		(224,204)
Other comprehensive income for the period		-		-		-		31,809		-		31,809
Balance, December 31, 2023		36,605,349	$	5,160,881	$	1,038,832	$	(141,304)	$	(5,919,840)	$	138,569

	Note	Number of Shares		Share capital		Share-based payments reserve		Accumulated other comprehensive income (loss)		Deficit		Total equity (deficiency)
Balance, September 30, 2022		30,716,461	$	4,989,387	$	929,331	$	(204,212)	$	(4,046,550)	$	1,667,956
Loss for the period		-		-		-		-		(234,089)		(234,089)
Other comprehensive loss for the period		-		-		-		30,656		-		30,656
Balance, December 31, 2022		30,716,461	$	4,989,387	$	929,331	$	(173,556)	$	(4,280,639)	$	1,464,523

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

TUT FITNESS GROUP INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED DECEMBER 31
(Unaudited – Prepared by Management)
(EXPRESSED IN US DOLLARS)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	$ (224,204)	$ (234,089)
Items not affecting cash:		
Depreciation	9,766	21,013
Foreign exchange	24,342	18,027
Interest	3,979	3,936
Share-based payments	40,727	-
Changes in non-cash working capital items:		
Trade and other receivables	(17,968)	(47,723)
Prepaid expenses and deposits	585	22,200
Inventory	26,618	23,059
Accounts payables and accrued liabilities	47,952	3,795
Net cash used in operating activities	(88,203)	(189,782)
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditures on property and equipment	-	(352)
Expenditures on intangible assets	-	(9,756)
Net cash used in investing activities	-	(10,108)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts due to related parties	-	2,388
Lease payments	(8,478)	(8,353)
Interest paid	(613)	-
Net cash used in financing activities	(9,091)	(5,965)
Effect of foreign exchange on cash	(409)	3,972
Change in cash during the period	(97,703)	(201,883)
Cash, beginning of the period	110,454	392,212
Cash, end of the period	$ 12,751	$ 190,329

There were no significant non-cash transactions during the three months ended December 31, 2023 and 2022.

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

1. NATURE OF OPERATIONS AND GOING CONCERN

TUT Fitness Group Inc. (the "Company") was incorporated under the laws of British Columbia, Canada on January 28, 2019. The Company's head office and principal address is Suite 2050, 1055 West Georgia Street, Vancouver BC, V6E 3P3. The registered and records office is Suite 2501, 550 Burrard Street, Vancouver BC V6C 2B5. The Company is primarily engaged in design, development, and distribution of patented fitness equipment. The Company's common shares are listed on the TSX Venture Exchange (TSX-V) under the trading symbol "GYM".

Going concern of operations

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Company has incurred losses since inception in the amount of $5,919,840 and has not yet achieved profitable operations. The Company's ability to continue as a going concern is dependent on its ability to obtain adequate financing on reasonable terms from lenders, shareholders and other investors and/or to commence profitable operations in the future. While the Company has been successful in securing financing to date, there can be no assurances that it will be able to do so in the future. The aforementioned factors indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

These consolidated financial statements do not include adjustments that would be required if the going concern assumption is not an appropriate basis for the preparation of the consolidated financial statements. These adjustments could be material.

2. BASIS OF PREPARATION

Statement of compliance

These condensed unaudited interim consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34 *Interim Financial Reporting*.

The condensed interim consolidated financial statements do not include all of the disclosures required for a complete set of annual financial statements and should be read in conjunction with the audited annual financial statements for the year ended September 30, 2023, which have been prepared in accordance with IFRS as issued by the IASB.

Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments that are measured at revalued amounts or fair values. In addition these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, TUT Fitness Inc. and 1195143 B.C. Ltd. ("119BC"). All inter-company transactions, balances, income and expenses are eliminated on consolidation.

2. BASIS OF PREPARATION

Functional and presentation currency

These consolidated financial statements are presented in United States dollars ("USD"). The functional currency of the Company and 119BC is the Canadian dollar ("CAD"). The functional currency for TUT Fitness Inc. is the USD.

Significant estimates and assumptions

The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the period. Actual results could differ from these estimates. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised. Significant areas requiring the use of management estimates include:

i) The determination of the fair value of stock options and agent's warrants using option pricing models, require the input of highly subjective assumptions, including the expected price volatility. Changes in the subjective input assumptions could materially affect the fair value estimate.

ii) The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts.

Significant judgments

The preparation of these consolidated financial statements requires management to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applied in the Company's financial statements include:

i) The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its operations and working capital requirements and whether there are events or conditions that may give rise to significant uncertainty.

ii) The classification of financial instruments.

iii) The determination of whether it is likely that future taxable profits will be available to utilize against any deferred tax assets.

iv) The determination of whether an indication of impairment loss or a reversal of an impairment loss exists for equipment and finite lived intangible assets.

v) The determination of whether a provision is required for inventory for which the cost is no longer deemed to be fully recoverable due to slow moving inventory, damaged goods, obsolescence, or if selling prices or estimated forecast of product demand declines.

(EXPRESSED IN US DOLLARS)

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out in the Company's audited annual consolidated financial statements for the year ended September 30, 2023 were consistently applied to all the periods presented unless otherwise noted below.

New or revised accounting standards not yet adopted

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company's consolidated financial statements.

4. TRADE AND OTHER RECEIVABLES

	December 31, 2023	September 30, 2023
Trade receivables	$ 10,060	$ 414
Goods and services taxes recoverable	18,192	9,870
	$ 28,252	$ 10,284

The Company anticipates full recovery of its receivables and therefore no allowance has been recorded against these amounts as at December 31, 2023 (September 30, 2023 - $nil).

5. PREPAID EXPENSES AND DEPOSITS

	December 31, 2023	September 30, 2023
Prepaid expenses	$ 5,672	$ 6,331
Lease deposit	3,747	3,673
	$ 9,419	$ 10,004

(EXPRESSED IN US DOLLARS)

6. PROPERTY AND EQUIPMENT

		Equipment		Leasehold improvement		Right of use asset		Total
Cost								
Balance at September 30, 2022	$	11,661	$	46,306	$	155,277	$	213,244
Additions		-		4,721		-		4,721
Balance at September 30 and December 31, 2023	$	11,661	$	51,027	$	155,277	$	217,965
Accumulated depreciation								
Balance at September 30, 2022	$	3,872	$	6,431	$	21,566	$	31,869
Depreciation		1,468		7,977		24,553		33,998
Balance at September 30, 2023	$	5,340	$	14,408	$	46,119	$	65,867
Depreciation		292		2,060		6,097		8,449
Balance at December 31, 2023	$	5,632	$	16,468	$	52,216	$	74,316
Net amount								
Balance at December 31, 2023	$	6,029	$	34,559	$	103,061	$	143,649
Balance at September 30, 2023	$	6,321	$	36,619	$	109,158	$	152,098

(EXPRESSED IN US DOLLARS)

7. INTANGIBLE ASSETS

		Patents		Website		Total
Cost						
Balance at September 30, 2022	$	717,730	$	21,160	$	738,890
Additions		14,253		10,917		25,170
Impairment		(610,014)		-		(610,014)
Foreign exchange movement		4,209		-		4,209
Balance at September 30, and December 31, 2023	$	126,178	$	32,077	$	158,255
Accumulated depreciation						
Balance at September 30, 2022	$	81,993	$	18,452	$	100,445
Depreciation		48,685		4,407		53,092
Foreign exchange movement		(4,500)		-		(4,500)
Balance at September 30, 2023	$	126,178	$	22,859	$	149,037
Depreciation		-		1,317		1,317
Balance at December 31, 2023	$	126,178	$	24,176	$	150,354
Net amount						
Balance at December 31, 2023	$	-	$	7,901	$	7,901
Balance at September 30, 2023	$	-	$	9,218	$	9,218

Impairments

On September 29, 2021, the Company acquired certain patents and trademarks through the acquisition of 119BC. During the year ended September 30, 2022, the increase in sales was lower than anticipated and profitability declined as compared to prior year. These were identified as indicators of impairment and management performed an impairment test as at September 30, 2022 for the patents. The Company assessed the fair value of the patents using a market approach with data from listed public companies in the same industry (level 2). As a result, the Company recognized an impairment loss of $434,512 for the patents as at September 30, 2022.

During the year ended September 30, 2023, the Company recognized an additional impairment loss of $610,014 for the patents based on a discounted cash flow model. The Company performed an impairment test on its intangible assets as at September 30, 2023. The Company did so by comparing the carrying value of the intangibles against its value-in-use. The value-in-use of the intangibles requires the use of assumptions. The calculation uses cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using an estimated terminal growth rate of 2.5%. The value-in-use calculation includes cash flows relating to sustaining capital expenditures and working capital based on historical activity. Cash flows are discounted using an after-tax discount rate of 40%. The value-in-use of the Intangibles was determined to be lower than its carrying amount; therefore, the intangibles were impaired as of September 30, 2023 and are recorded at $nil as at September 30, 2023.

(EXPRESSED IN US DOLLARS)

8. ACCOUNTS PAYABLES AND ACCRUED LIABILITIES

	December 31, 2023	September 30, 2023
Trade payables	$ 249,724	$ 214,381
Accrued liabilities	74,745	77,700
Other payables	18,565	3,001
	$ 343,034	$ 295,082

Trade payables of the Company are principally comprised of amounts outstanding for trade purchases relating to inventory purchases and general operating activities. The usual credit period taken for trade purchases is between 30 to 90 days.

9. LEASE OBLIGATION

The Company has entered into a lease agreement for a warehouse for a term ending in 2024. The Company also has an option to renew for an additional three-year term. The undiscounted future lease payments are as follows:

2024	2025	2026	2027	2028	Total
$ 26,386	$ 35,612	$ 36,129	$ 36,647	$ 6,122	$ 140,896

The Company discounted the remaining lease payments using its incremental borrowing rate, which was a weighted-average rate of 12%.

The following is a continuity schedule of lease obligation:

	2023	2022
Balance, beginning of the year	$ 121,891	$ 140,767
Interest expense	3,366	15,014
Lease payments	(8,478)	(33,890)
Balance, end of the year/period	$ 116,779	$ 121,891
Current portion	$ 33,035	$ 34,002
Long-term portion	$ 83,744	$ 87,889

(EXPRESSED IN US DOLLARS)

10. RELATED PARTY TRANSACTIONS

Related parties include key management personnel, the Board of Directors, close family members and entities that are controlled by these individuals as well as certain persons performing similar functions.

Key management personnel include directors (executive and non-executive) and officers of the Company. The compensation paid or payable to key management personnel during the three month periods ended December 31 is as follows:

		2023		2022
Management fees	$	27,563	$	49,613
Advertising and marketing		8,820		9,555
Share-based payments		18,351		-
Total	$	54,734	$	59,168

11. SHARE CAPITAL

Authorized share capital

The Company has authorized an unlimited number of common shares with no par value.

Issued share capital

At December 31, 2023, the Company had 36,605,349 common shares outstanding (September 30, 2023 - 36,605,349 common shares).

Escrowed shares

10,350,000 common shares are being held in escrow and subject to a 36 month staged release escrow agreement in which 10% of escrowed securities will be released on upon TSX-V final approval of the RTO and 15% every 6 months thereafter. At December 31, 2023, 3,105,000 common shares remained in escrow.

21,370,301 common shares issued to the former shareholders of TUT Limited, directors and promotors are also subject to a voluntary pooling agreement restricting their transfer in accordance with a staggered release schedule over a five year period.

(EXPRESSED IN US DOLLARS)

11. SHARE CAPITAL (cont'd…)

Share issuance

During the three months ended December 31, 2022, the Company did not have any share capital transactions.

During the year ended September 30, 2023, the Company completed a non-brokered private placement of 5,888,888 units at a price of $0.033 (CAD$0.045) per unit for gross proceeds of $196,100. Each unit is comprised of one common share and one-half of share purchase warrant; each whole warrant entitles the holder to acquire one additional common share for a period of 24 months at an exercise price of $0.06 (CAD$0.08). $21,789 of the proceeds was allocated to the warrants based on the residual method. The Company paid $1,295 and issued 38,889 finder's warrants as a finders' fee. The finder's warrants have the same terms as the warrants issued under the private placement. The finder's warrants were valued at $605 using the Black-Scholes Option Pricing Model (assuming a risk-free interest rate of 4.33%, an expected life of 2 year, annualized volatility of 129.47% and a dividend rate of 0%). The Company also incurred filing and other expenses of $917 in connection with the private placement.

Basic and diluted loss per share

The calculation of basic and diluted loss per share for the three month period ended December 31, 2023 was based on the loss attributable to common shareholders of $224,204 (2022 - $234,089) and a weighted average number of common shares outstanding of 36,605,349 (2022 - 30,716,461).

At December 31, 2023, 3,597,500 stock options (2022 - 3,847,500) and 2,983,333 warrants (2022 - 8,355,329) were excluded from the diluted weighted average number of common shares calculation as their effect would have been anti-dilutive.

12. SHARE-BASED PAYMENTS

Stock options

The Company has a stock option plan under which it is authorized to grant options to executive officers, directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. The exercise price of each option shall not be less than the market price of the Company's stock at the date of grant. The options can be granted for a maximum term of 5 years and vest as determined by the board of directors.

Stock option transactions are summarized as follows:

	Number of options		Weighted Average Exercise Price
Balance, September 30, 2022	5,356,500	$	0.24
Granted	3,440,000		0.07
Forfeited	(5,199,000)		0.24
Balance, September 30, and December 31, 2023	3,597,500	$	0.08
Exercisable at December 31, 2023	1,017,500	$	0.09

(EXPRESSED IN US DOLLARS)

12. SHARE-BASED PAYMENTS (cont'd…)

The options outstanding at December 31, 2023 have exercise prices in the range of CAD$0.10 to CAD$0.20 and a weighted average remaining contractual life of 4.52 years.

For the three months ended December 31, 2023, the Company recognized share-based payment expense of $40,727 (2022 - $nil) for the portion of stock options that vested during the year.

Warrants

Warrants are issued as private placement incentives and measured using the residual method. Agents' warrants are measured at fair value on the date of the grant as determined using the Black-Scholes Option Pricing Model.

	Number of Warrants		Weighted Average Exercise Price
Balance, September 30, 2022	8,355,329	$	0.68
Issued	2,983,333		0.06
Expired	(8,355,329)		0.68
Balance, September 30, and December 31, 2023	2,983,333	$	0.06

The warrants outstanding at December 31, 2023 have an exercise price of CAD$0.08 and a weighted average remaining contractual life of 1.56 years.

13. SEGMENTED INFORMATION

Operating segments

The Company operates in a single reportable segment – importing and distribution of fitness equipment in Canada and the United States.

Geographic segments

All of the Company's non-current assets are located in Canada.

14. FINANCIAL INSTRUMENTS

The carrying amount of trade and other receivables, and accounts payable, carried at amortized cost is a reasonable approximation of fair value due to the relatively short period to maturity of these financial instruments and/or the rate of interest being charged.

Financial risk management

The Company's financial risks arising from its financial instruments are credit risk, liquidity risk, foreign currency exchange risk, and interest rate risk. The Company's exposures to these risks and the policies on how to mitigate these risks are set out below. Management monitors and manages these exposures to ensure appropriate measures are implemented on a timely basis and in an effective manner.

Credit risk

Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. The credit risk of the Company is associated with cash and trade receivables. The credit risk with respect to its cash is minimal as they are held with high-credit quality financial institutions. The Company does not anticipate any default of its trade receivables, as it transacts with creditworthy customers and management does not expect any losses from non-performance by these customers. Management does not expect these counterparties to fail to meet their obligations.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its obligations associated with its financial liabilities as they fall due. The Company performs cash flow forecasting to ensure sufficient cash is available to fund its projects and operations. As at December 31, 2023, the Company has current assets of $446,832 and current liabilities of $376,069. The Company's financial liabilities include accrued expenses and trade and other payables which have contractual maturities of 30 days or are due on demand.

At present, the Company's operations do not generate positive cash flows. The Company's primary source of funding has been the issuance of equity securities through private placements and revenue from fitness equipment distribution. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings. Liquidity risk is assessed as high.

Foreign currency exchange risk

Foreign currency exchange risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's functional currency is the Canadian dollar and administrative expenditures are transacted in Canadian dollars. The Company funds certain operating expenditures in the United States by using USD converted from its Canadian bank accounts. The Company does not hedge its foreign exchange risk.

Interest rate risk

The Company is exposed to interest rate risk arising from cash held in Canadian financial institutions. The interest rate risk on cash is not considered significant due to its short-term nature and maturity. The exposure to interest rates for the Company is considered minimal. The Company has not used any financial instrument to hedge potential fluctuations in interest rates.

15. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data or other means. Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

As at December 31, 2023, the fair value of cash held by the Company was based on level 1 inputs of the fair value hierarchy.

16. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to pursue its business of importation and distribution of fitness equipment and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company considers shareholders' equity as the component of capital.

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 additional shares, issue new debt, acquire or dispose of assets or adjust the amount of cash.

There have been no changes to the Company's capital management policies and procedures during the current period. The Company is not subject to externally imposed capital requirements.