IKIGAI CAPITAL CORP.

Condensed Financial Statements

Three Months Ended September 30, 2022

(Expressed in Canadian Dollars)

(unaudited)

IKIGAI CAPITAL CORP.
Condensed Statements of Financial Position
(Expressed in Canadian Dollars)

	September 30, 2022 $	June 30, 2022 $
	(unaudited)	
Assets		
Current assets		
Cash	444,251	464,733
Total assets	444,251	464,733
Liabilities		
Accounts payable and accrued liabilities (Note 3)	7,217	4,725
Total liabilities	7,217	4,725
Shareholders’ equity		
Share capital	527,886	527,886
Share-based payment reserve	75,356	75,356
Deficit	(166,208)	(143,234)
Total shareholders’ equity	437,034	460,008
Total liabilities and shareholders’ equity	444,251	464,733

Nature of operations and continuance of business (Note 1)
Commitment (Note 7)

Approved and authorized for issuance on behalf of the Board of Directors on November 10, 2022:

/s/ “Harry Chew” | */s/ “Sonny Chew”*

Harry Chew, Director | Sonny Chew, Director

(The accompanying notes are an integral part of these condensed financial statements)

IKIGAI CAPITAL CORP.
Condensed Statements of Operations and Comprehensive Loss
(Expressed in Canadian Dollars)
(unaudited)

	Three months ended September 30, 2022 $	Three months ended September 30, 2021 $
Expenses		
General and administrative	152	2,349
Professional fees	–	4,725
Rent (Note 3)	4,725	–
Transfer agent and regulatory fees	157	3,678
Travel and promotion	17,940	–
Total expenses	22,974	10,752
Net loss and comprehensive loss for the period	(22,974)	(10,752)
Loss per share, basic and diluted	–	–
Weighted average shares outstanding	9,100,000	6,000,000

(The accompanying notes are an integral part of these condensed financial statements)

IKIGAI CAPITAL CORP.
Condensed Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)
(unaudited)

	Share capital		Share-based payment reserve		
	Number of shares	Amount $	$	Deficit $	Total shareholders' equity
Balance, June 30, 2022	9,100,000	527,886	75,356	(143,234)	460,008
Net loss for the period	–	–	–	(22,974)	(22,974)
Balance, September 30, 2022	9,100,000	527,886	75,356	(166,208)	437,034
Balance, June 30, 2021	6,000,000	300,000	–	(254)	299,746
Net loss for the period	–	–	–	(10,752)	(10,752)
Balance, September 30, 2021	6,000,000	300,000	–	(11,006)	288,994

(The accompanying notes are an integral part of these condensed financial statements)

IKIGAI CAPITAL CORP.
Condensed Statements of Cash Flows
(Expressed in Canadian Dollars)
(unaudited)

	Three months ended September 30, 2022 $	Three months ended September 30, 2021 $
Operating activities		
Net loss for the period	(22,974)	(10,752)
Changes in non-cash working capital:		
Prepaid expenses	–	(31,000)
Accounts payable and accrued liabilities	2,492	–
Net cash used in operating activities	(20,482)	(41,752)
Change in cash	(20,482)	(41,752)
Cash, beginning of period	464,733	292,246
Cash, end of period	444,251	250,494

(The accompanying notes are an integral part of these condensed financial statements)

1. Nature of Operations and Continuance of Operations

Ikigai Capital Corp. (the "Company") was incorporated in the province of British Columbia on January 31, 2021. The Company's head office is located at Suite 905, 1030 West Georgia Street, Vancouver, BC, V6E 2Y3.

The Company will be applying to become a capital pool company ("CPC") pursuant to the policies of the TSX Venture Exchange (the "Exchange"). The Company is in the development stage and its principal business will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction ("QT") as defined by the rules of the Exchange. Such a transaction will be subject to shareholder and regulatory approval.

These condensed financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at September 30, 2022, the Company has no business operations, negative cash flow from operations, and an accumulated deficit of $166,208. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing through debt or equity. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors may cast significant doubt on the Company's ability to continue as a going concern. These condensedfinancial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic and has adversely affected global workforces, financial markets, and the general economy. Although it is not possible for the Company to determine the duration or magnitude of the adverse results of COVID-19, the Company's ability to raise capital has not been impacted and the Company does not expect such ability to raise capital to be impacted in the future by COVID-19. The Company also does not expect COVID-19 to significantly impact its ability to complete a Qualifying Transaction.

2. Significant Accounting Policies

(a) Statement of Compliance and Basis of Presentation

These condensed financial statements have been prepared in accordance with International Financial Reporting Standards applicable to interim financial information, as outlined in International Accounting Standard ("IAS") 34, "Interim Financial Reporting" and using the accounting policies consistent with those in the audited financial statements as at and for the period ended June 30, 2022.

These condensed financial statements do not include all disclosures normally provided in annual financial statements and should be read in conjunction with the annual financial statements as at and for the period ended June 30, 2022. Interim results are not necessarily indicative of the results expected for the fiscal year.

(b) Accounting Standards Issued But Not Yet Effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended September 30, 2022, and have not been early adopted in preparing these financial statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's financial statements.

(Expressed in Canadian Dollars)

3. Related Party Transactions

As at September 30, 2022, the amount of $7,060 (June 30, 2022 - $4,725) included in accounts payable and accrued liabilities is owed to a company controlled by directors of the Company. During the three months ended September 30, 2022, the amount of $4,725 (2021 – $nil) was incurred to this company for rent.

4. Stock Options

The Company has adopted a stock option plan pursuant to which options may be granted to directors, officers, employees, and consultants of the Company to a maximum of 10% of the issued and outstanding common shares at the time of the grant. The exercise price of each option shall not be less than the market price of the Company's stock on the date of the grant. Stock options granted under the plan vest as determined by the board of directors and shall not have a term exceeding ten years.

The following table summarizes the continuity of the Company's stock options:

	Number of options	Weighted average exercise price $
Outstanding, June 30, 2022 and September 30, 2022	1,110,000	0.10

Additional information regarding stock options outstanding as at September 30, 2022 is as follows:

	Outstanding and exercisable		
Range of exercise prices $	Number of shares	Weighted average remaining contractual life (years)	Weighted average exercise price $
0.10	1,110,000	3.8	0.10

5. Financial Instruments and Risk Management

(a) Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of financial instruments, which includes cash, and accounts payable and accrued liabilities, approximates their carrying values due to the relatively short-term maturity of these instruments.

5. Financial Instruments and Risk Management (continued)

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consists of cash. The Company limits its exposure to credit loss by placing its cash with a high credit quality financial institution. The carrying amount of financial assets represents the maximum credit exposure.

(c) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk as it does not have any liabilities with variable rates.

(d) Foreign Exchange Rate Risk

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company is not exposed to any foreign exchange rate risk.

(e) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company manages liquidity risk by maintaining sufficient cash balances and adjusting its operating budget and expenditure. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term and other specific obligations.

6. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital and share-based payment reserve.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issuances or by undertaking other activities as deemed appropriate under the specific circumstances.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is subject to externally imposed capital requirements under Policy 2.4 of the Exchange for capital pool companies.

7. Commitment

On September 16, 2022, the Company entered into an agreement with Eternal Bioworks Corp. ("Eternal") to acquire all of the issued and outstanding shares in the capital of Eternal. In exchange, the Company is to the issue of common shares of the Company equal to the price per share at which the Eternal shares are issued pursuant to the QT financing divided by the quotient which results when $2,000,000 is divided by the number of issued and outstanding common shares of the Company.