

FINTECH SELECT LTD.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Unaudited

September 30, 2021

FINTECH SELECT LTD.

September 30, 2021

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**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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

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

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

Fintech Select Ltd.
Condensed Consolidated Interim Statements of Financial Position (Unaudited)
(Presented in Canadian Dollars)
As at September 30, 2021

	Note	September 30 2021	December 31 2020
ASSETS			
CURRENT			
Cash		\$ 48,960	\$ 37,005
Accounts receivable		268,618	221,148
Intangibles – short term	4	277,732	184,596
Inventory		17,801	14,798
Prepaid and other assets		27,634	12,682
		640,745	470,229
LONG TERM			
Property and equipment	3	111,483	130,172
Intangibles – long term	4	582,748	658,826
		694,231	788,998
		\$ 1,334,976	\$ 1,259,227
LIABILITIES & SHAREHOLDER'S EQUITY			
CURRENT			
Accounts payable and accrued liabilities	13	3,550,485	3,590,871
Deferred revenue		7,192	18,858
Demand loan	5	133,803	165,963
Customer deposits		34,700	34,700
Current portion of lease obligations	8	114,910	114,910
		3,841,090	3,925,302
NONCURRENT			
Lease obligations	8	81,736	154,256
		3,922,826	4,079,558
SHAREHOLDERS' EQUITY			
Share capital	6	18,389,265	18,296,876
Contributed and other surplus		6,695,094	6,694,857
Warrant capital	7	37,949	62,717
Other comprehensive loss		(24,210)	(124,733)
Deficit		(27,685,948)	(27,750,048)
		(2,587,850)	(2,820,331)
		\$ 1,334,976	\$ 1,259,227

Nature of Operations and Going concern (Note 1)

Provision (Note 13)

Approved by the Board

Naveed UI-Hassan
Director (Signed)

Mohammad Abuleil
Director (Signed)

The accompanying notes form an integral part of these consolidated financial statements.

Fintech Select Ltd.
Condensed Consolidated Interim Statements of Operations and Comprehensive Income
(Unaudited)
(Presented in Canadian Dollars)
For 3 and 9 months ended September 30, 2021

	3 months ended September 30		9 months ended September 30,	
	2021	2020	2021	2020
REVENUE	\$ 746,488	\$ 628,160	\$ 2,139,346	\$ 2,326,155
EXPENSES				
Goods and services purchased	61,262	62,694	188,904	262,520
Salaries and benefits	639,476	360,218	1,625,239	1,335,946
Other general and administrative	46,798	54,005	141,200	221,607
Stock based compensation	--	--	--	231
Foreign exchange loss (gain)	(21,096)	13,105	2,441	(10,533)
Depreciation and amortization	31,577	38,773	95,953	123,190
Interest expenses	6,733	9,805	21,509	31,148
	764,750	538,600	2,075,246	1,964,109
Net income (loss) from operations	(18,262)	89,560	64,100	362,046
Gain on disposal of intangibles	--	--	--	11,735
Gain on revaluation of intangibles	--	11,718	--	29,136
Net income (loss)	(18,262)	101,278	64,100	402,917
Exchange difference on translating foreign operation	(7,752)	12,935	7,387	(15,709)
Gain/(loss) on revaluation of intangibles	60,582	--	93,136	--
Comprehensive income (loss)	\$ 34,568	\$ 114,213	\$ 164,623	\$ 387,208
Income (Loss) per share				
Basic	\$ (0.0003)	\$ 0.0014	\$ 0.0009	\$ 0.0057
Diluted	\$ (0.0002)	\$ 0.0014	\$ 0.0009	\$ 0.0057
Weighted average number of shares outstanding				
Basic	72,624,515	70,874,515	72,312,898	70,874,515
Diluted	73,412,015	70,874,515	73,100,398	70,874,515

The accompanying notes form an integral part of these consolidated financial statements

Fintech Select Ltd.
Condensed Consolidated Interim Statements of Cash Flow
(Presented in Canadian Dollars)
For 3 and 9 months ended September 30, 2021

	3 months ended September 30		9 months ended September 30,	
	2021	2020	2021	2020
Cash provided by (used in)				
Operations				
Net income	\$ (18,262)	101,278	\$ 64,100	\$ 402,917
Items not affecting cash				
Amortization	31,578	38,773	95,953	123,190
Interest expenses	6,733	9,805	21,509	31,148
Stock based compensation	--	--	--	231
Gain on disposal of intangible	--	--	--	(11,735)
(Gain) Loss on revaluation of intangible	--	(11,718)	--	(29,136)
Unrealized foreign exchange loss/(gain)	(8,610)	12,647	7,365	(15,360)
	11,439	150,785	188,927	501,255
Net change in non-cash working capital				
Accounts receivable	102,758	196,260	(47,470)	(35,889)
Inventory	1,694	(6,445)	(3,004)	(6,595)
Prepaid and other assets	11,607	15,066	(14,952)	5,097
Accounts payable and accrued liabilities	(51,716)	2,954	(40,386)	(55,981)
Deferred revenue	--	(17,500)	(11,667)	(52,500)
Customer deposit	--	(500)	--	(500)
	75,782	99,082	71,448	116,303
Investing				
Disposal of intangible	--	--	--	38,932
Additions of intangibles and equipment	(535)	(26,320)	(1,186)	(41,904)
	(535)	(26,320)	(1,186)	(2,972)
Financing				
Lease payment	(28,730)	(6,217)	(86,185)	--
Repayment of demand loan	--	(15,000)	(40,002)	(15,000)
Issuance of shares	--	(30,808)	67,857	(103,175)
	(28,730)	(52,025)	(58,330)	(118,175)
Net change in cash	46,517	20,737	11,932	(4,844)
Effect of exchange rate changes on cash	862	287	23	(349)
Cash, beginning of the period	1,581	--	37,005	26,217
Cash, end of the period	\$ 48,960	21,024	\$ 48,960	\$ 21,024

The accompanying notes form an integral part of these consolidated financial statements

Fintech Select Ltd.
Condensed Consolidated Interim Statement of Changes in Shareholders' Deficit
(Presented in Canadian Dollars)
For the 9 months ended September 30, 2021

	Share Shares	Capital Amount	Contributed Surplus	Options and Warrant Capital	Accumulated Other Comprehensive Income (Loss)	Deficit	Total
Balance, December 31, 2020	71,267,372	18,296,876	6,694,857	62,717	(124,733)	(27,750,048)	(2,820,331)
Options exercised	1,357,143	92,389	--	(24,531)	--	--	67,858
Options expired	--	--	237	(237)	--	--	--
Other comprehensive income from translation of foreign entity	--	--	--	--	7,387	--	7,387
Gain on revaluation of intangibles	--	--	--	--	93,136	--	93,136
Net income	--	--	--	--	--	64,100	64,100
As at September 30, 2021	72,624,515	18,389,265	6,695,094	37,949	(24,210)	(27,685,948)	(2,587,850)
Balance, December 31, 2019	70,874,515	18,270,142	6,375,740	319,354	(238,888)	(28,155,196)	(3,428,848)
Grant of options	--	--	--	231	--	--	231
Options and warrants expired	--	--	319,117	(319,117)	--	--	--
Other comprehensive income from translation of foreign entity	--	--	--	--	(15,709)	--	(15,709)
Net income	--	--	--	--	--	402,917	402,917
As at September 30, 2020	70,874,515	18,270,142	6,694,857	468	(254,597)	(27,752,279)	(3,041,409)

The accompanying notes form an integral part of these consolidated financial statements

FINTECH SELECT LTD.

Notes to condensed consolidated interim financial statements (Unaudited)

September 30, 2021

(Presented in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN UNCERTAINTY

Fintech Select Ltd. (the "Company") is a leader in financial payment services and is a provider of robust and disruptive payment solutions, including prepaid card programs, Crypto-currency POS, and recently acquired e-wallet and online payment solutions. The address of the registered office of Company is 100 King St W, Unit T201a, Chatham, ON, N7M 6A9. The Company's shares are listed on the TSX Venture Exchange under symbol FTEC.

These consolidated financial statements have been prepared on a going concern basis, which assumes the Company will continue its operations in the foreseeable future and that it will be able to realize its assets and discharge its liabilities in the normal course of operations. The facts and circumstances noted below cast significant doubt on the company's ability to continue as going concern.

During the quarter, the company incurred a net loss from operations \$18,262 (third quarter of 2020- gain of \$ 101,278). The company had a net inflow of cash from operations of \$75,782 (third quarter of 2020 - \$71,448). The Company has a working capital deficiency of \$3,200,345 (December 31, 2020 deficit \$3,458,493). The working capital deficiency limits the Company's ability to fund capital expenditures and operations.

As of the period end, the Company had collateral account shortfalls which was contrary to the terms of special agreements with the financial institution whereby the Company agreed that it shall maintain in designated special collateral account in a designated bank of amounts equivalent to the consumers unspent card balances. As of September 30, 2021, the Company had collateral account shortfalls of approximately \$2.8 million liable to the cardholders and financial institution. These collateral shortfalls are already included in the working capital deficiency number noted above. The Company continues to work towards an agreeable resolution with the financial institution and simultaneously has been working to address the collateral shortfall.

The continuation of the Company as a going concern is dependent on raising sufficient working capital to maintain operations, reducing operating expenses, and increasing revenues and profits. The Company is pursuing further financing alternatives to fund its operations, to settle the shortfall noted above and continue its activities as a going concern. There is no assurance that it will be able to do so in the near future, as without enough financing, the Company may be forced to cease operations.

These consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the going concern assumption not be appropriate. These adjustments could be material.

The consolidated financial statements were authorized for issuance by the Board of Directors on November 27, 2021.

FINTECH SELECT LTD.

Notes to condensed consolidated interim financial statements (Unaudited)

September 30, 2021

(Presented in Canadian Dollars)

2. BASIS OF PRESENTATION

Statement of compliance

The condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting (IAS 34) using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee (IFRIC). The accounting policies and methods of computation applied by the Company in these condensed consolidated interim financial statements are the same as those applied in the Company's annual financial statements as at and for the year ended December 31, 2020, excepted as outlined below. These condensed consolidated interim financial statements should be read in conjunction with the 2020 annual financial statements.

Basis of presentation

These consolidated financial statements are prepared on the historical cost basis except for intangibles - short term which are measured at the fair value, with changes being recognized in other comprehensive income and financial assets classified as "fair value through profit and loss", if any, which are measured at fair value.

Principles of consolidation

The condensed consolidated interim financial statements include the accounts of the Company and its wholly owned subsidiaries, 1382285 Ontario Limited ("SelectComm"), 2143436 Ontario Limited ("SelectCore Comm"), Local Fone Service, Inc. ("LFS"), SelectCore USA, LLC ("SelectCore US") and 2314606 Ontario Limited ("SelectCore Financial Services").

Subsidiaries are all entities over which the Company has the power, is exposed, or has rights, to variable returns from its involvement and has the ability to use its power to affect its returns. Subsidiaries are fully consolidated from the date on which control is transferred to the Company.

The company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Inter-Company transactions, balances and unrealized gains or losses between subsidiaries are eliminated in preparing the consolidated financial statements. The financial statements of the subsidiaries are prepared for the same reporting period as the reporting company using consistent accounting policies.

Functional and presentational currency

Unless otherwise noted, all amounts in the accompanying consolidated financial statements and these notes are presented in Canadian funds, which is the functional currency of the Company.

FINTECH SELECT LTD.

Notes to condensed consolidated interim financial statements (Unaudited)

September 30, 2021

(Presented in Canadian Dollars)

3. PROPERTY AND EQUIPMENT

Activity during the year ended September 30, 2021 is as follows:

Cost	Terminals	Electronic Equipment	Office Furniture & Fixtures	Totals
Balance January 1, 2021	954,632	678,332	183,960	1,816,924
Additions	-	1,186	-	1,186
Balance September 30, 2021	954,632	679,518	183,960	1,818,110
Accumulated Depreciation				
Balance January 1, 2021	930,223	598,123	158,406	1,686,752
Depreciation	4,976	11,312	3,587	19,875
Balance September 30, 2021	935,199	609,435	161,993	1,706,627
Net Book Value	19,433	70,083	21,967	111,483

Activity during the year ended September 30, 2020 is as follows:

Cost	Terminals	Electronic Equipment	Office Furniture & Fixtures	Totals
Balance January 1, 2020	954,633	671,372	183,960	1,809,965
Additions	-	4,316	-	4,316
Balance September 30, 2020	954,633	675,688	183,960	1,814,281
Accumulated Depreciation				
Balance January 1, 2020	921,555	581,052	152,695	1,655,302
Depreciation	6,740	12,968	4,389	24,097
Balance September 30, 2020	928,295	594,020	157,084	1,679,399
Net Book Value	26,338	81,668	26,876	134,882

FINTECH SELECT LTD.

Notes to condensed consolidated interim financial statements (Unaudited)

September 30, 2021

(Presented in Canadian Dollars)

4. INTANGIBLES

Intangibles – short term represents bitcoins held for sale. As of September 30, 2020, the Company has 5 bitcoins (December 31, 2020: 5 bitcoins). Cryptocurrency was revalued quarterly based on open market quoted price.

		30-Sep-21		31-Dec-20
Balance January 1,	\$	184,596	\$	84,207
Additions				
Disposal		-		(41,554)
Revaluation		93,136		141,943
Balance period end	\$	277,732	\$	184,596

Intangibles – long term represents computer software, Right-of-Use assets and leasehold improvement.

	Computer Software	Right-of-use Assets	Leasehold Improvement	Totals
Cost				
Balance January 1, 2021	1,591,137	499,966	6,522	2,097,625
Additions	-	-	-	-
Balance September 30, 2021	1,591,137	499,966	6,522	2,097,625
Accumulated Depreciation				
Balance January 1, 2021	1,186,417	249,422	2,962	1,438,801
Depreciation	2,342	72,739	1,001	76,082
Balance September 30, 2021	1,188,759	322,161	3,963	1,514,883
Net Book Value	402,378	177,805	2,559	582,742

FINTECH SELECT LTD.

Notes to condensed consolidated interim financial statements (Unaudited)

September 30, 2021

(Presented in Canadian Dollars)

Cost	Computer Software	Right-of-use Assets	Leasehold Improvement	Totals
Balance January 1, 2020	1,550,029	499,967	6,522	2,056,518
Additions	37,588	-	-	37,588
Balance September 30, 2020	1,587,617	499,967	6,522	2,094,106
Accumulated Depreciation				
Balance January 1, 2020	1,182,338	130,256	1,627	1,314,221
Depreciation	3,173	94,919	1,001	99,093
Balance September 30, 2020	1,185,511	225,175	2,628	1,413,314
Net Book Value	402,106	274,792	3,894	680,792

5. Demand Loan

	September 30, 2021	December 31, 2020
Demand loan	\$ 133,803	\$ 165,963

This loan bears an interest rate of 8% per annum. It was secured by a promissory note and a general security agreement, covering all of the assets of the Company.

FINTECH SELECT LTD.

Notes to condensed consolidated interim financial statements (Unaudited)

September 30, 2021

(Presented in Canadian Dollars)

6. SHARE CAPITAL

Authorized: Unlimited common shares

Issued and fully paid:

	September 30, 2021		December 31, 2020	
	Number	Amount	Number	Amount
Common Shares	72,624,515	\$ 18,389,265	71,267,372	\$ 18,296,876
Total	72,624,515	\$ 18,389,265	71,267,372	\$ 18,296,876

7. STOCK OPTIONS

The Board of Directors has adopted a stock option plan for the Company (the "Plan"). Pursuant to the Plan, the Board of Directors may, from time to time at its discretion, allocate non-transferable options to purchase shares to directors, officers and technical consultants of the Company.

Under the Plan, the aggregate number of shares to be issued upon the exercise of options granted thereunder may not exceed 10% of outstanding shares. Furthermore, the aggregate number of shares to be issued upon exercise of the options granted there under to any one director or officer shall not exceed 5% of the issued and outstanding shares and the number of shares reserved for issuance to all technical consultants will not exceed 2% of the issued and outstanding shares. Options shall expire no later than five years after the date of grant. Options may be exercised no later than ninety (90) days following cessation of the optionee's position with the Company, provided that if the cessation of office, directorship or technical consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option.

The exercise price of options granted pursuant to the Plan shall be set by the Board of Directors and shall not be less than the applicable discount permitted by the TSX-V or such other stock market on which the shares are then traded. The options issued under the plan vest according to the provisions determined by the Board at the time of grant.

On April 12, 2018, the Company granted 1,425,000 incentive stock options, each giving the holder the right to acquire one common share to certain of its consultants, directors and officers. The options are exercisable at \$0.30 per option for a period of three years from the date of grant, vesting immediately. 300,000 options expired during the year ended December 31, 2019. None of these options were exercised. All these options expired in April 2021.

On June 22, 2020, the Company granted 3,850,000 incentive stock options, each giving the holder the right to acquire one common share to certain of its directors and officers. The options are exercisable at \$0.05 per option for a period of three years from the date of grant, vesting immediately. 392,857 of these options were exercised in December 2020 and 1,357,143 were exercised in the first quarter of 2021.

FINTECH SELECT LTD.**Notes to condensed consolidated interim financial statements (Unaudited)****September 30, 2021****(Presented in Canadian Dollars)**

The Company had following options outstanding and exercisable at September 30, 2021:

In number of units, except for exercise price	Period ended September 30, 2021		Year ended December 31, 2020	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding, beginning of year	4,582,143	0.10	4,670,000	0.25
Granted	--	--	3,850,000	0.05
Expired	(1,125,000)	0.25	(3,545,000)	0.25
Exercised	(1,357,143)	0.05	(392,857)	0.05
Outstanding, end of year	2,100,000	0.05	4,582,143	0.10
Exercisable, end of year	2,100,000	0.05	4,582,143	0.10

Below is a summary of exercise prices, and weighted average remaining life as at September 30, 2021 for each grant of options.

	Number of options	Weighted average exercise price	Remaining life (Years)
Granted in June 2020	2,100,000	0.05	1.8
Balance, September 30, 2021	2,100,000	\$0.05	1.8

FINTECH SELECT LTD.

Notes to condensed consolidated interim financial statements (Unaudited)

September 30, 2021

(Presented in Canadian Dollars)

The following are the valuations of each grant of options and the major assumptions used to value these options.

Date of Expiry	Number of Options	Exercise Price	Grant Date Fair Value of options
22-Jun-23	2,100,000	\$0.05	\$ 45,040

The options granted were valued using the Black-Scholes option pricing model with the following assumptions.

	<u>2020</u>
Expected dividend yield	0.00%
Expected volatility	116%
Risk free interest rate	0.38%
Expected life	3

8. COMMITMENTS

a) The Company has no lease commitments as at September 30, 2021.

b) Right of use assets

The Company had the following future commitments associated with its lease obligations:

Balance at December 31, 2020	\$ 269,166
Interest expense	13,645
Lease payments	<u>(86,165)</u>
Balance at September 30, 2021	\$ 196,646
Current portion	114,910
Long term portion	<u>81,736</u>

9. CAPITAL MANAGEMENT

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company includes equity, comprised of issued common shares, warrant reserve, contributed surplus and accumulated other comprehensive income in the definition of capital.

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund its growth activities, and to maintain its ongoing operations. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity and or debt financing. See note 1.

FINTECH SELECT LTD.

Notes to condensed consolidated interim financial statements (Unaudited)

September 30, 2021

(Presented in Canadian Dollars)

The Company's overall capital management strategy during the period ended September 30, 2021 and 2020 has been to raise share capital, reach settlement with creditors, shut down money-losing businesses, and expand profitable call center business.

10. FINANCIAL RISK MANAGEMENT

The Company is exposed to a variety of financial risks by virtue of its activities: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on financial performance.

Risk management is carried out by the accounting and finance department under policies approved by the Board of Directors. This department identifies and evaluates financial risks in close cooperation with management. The finance department is charged with the responsibility of establishing controls and procedures to ensure that financial risks are mitigated in accordance with the approved policies.

FINTECH SELECT LTD.

Notes to condensed consolidated interim financial statements (Unaudited)

September 30, 2021

(Presented in Canadian Dollars)

FINANCIAL RISK MANAGEMENT (Cont'd)

(a) Market Risk

(i) Currency Risk

The Company operates primarily in Canada and has a subsidiary in USA that had ceased operation. The Company has exposure to foreign exchange risk. Foreign exchange risk arises from purchase and sales transactions, as well as recognized financial assets and liabilities denominated in foreign currencies.

The Company's main objective in managing its foreign exchange is to maintain Canadian cash on hand to support Canadian forecasted cash flows over a 12-month horizon. To achieve this objective, the Company monitors forecasted cash flows in foreign currencies and attempts to mitigate the risk by modifying the currency of cash held.

Balances denominated in USD at September 30, 2021 and 2020 are as follows:

	2021	2020
Cash	15,141	--
Accounts receivable and other receivables	185,548	137,040
Accounts payable and accrued liabilities	(107,475)	(101,967)
Total net asset (liability)	\$ 93,214	\$ 35,109

Fluctuations in the Canadian dollar exchange rate have an impact on the Company's results from operations.

Fluctuation of the U.S. dollar relative to the Canadian dollar of 5% would impact net income by approximately \$ 4,661 as of September 30, 2021 (2020 impact net income - \$1,755).

(ii) Interest rate risk:

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Financial assets and financial liabilities with variable interest rates expose the Company to cash flow interest rate risk.

The Company's demand loan has fixed interest rates and is not exposed to interest rate risk.

(b) Credit Risk

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligation. The maximum exposure to credit risk of the Company at period-end is the carrying value of its cash and accounts receivables.

The Company manages credit risk by maintaining bank accounts with Schedule 1 banks in Canada.

FINTECH SELECT LTD.

Notes to condensed consolidated interim financial statements (Unaudited)

September 30, 2021

(Presented in Canadian Dollars)

FINANCIAL RISK MANAGEMENT (Cont'd)

The Company does not require collateral or other security for accounts receivable or amounts due from related parties. The Company estimates its provision for uncollectable amounts based on analysis of the specific amount and debtor's payment history and prospects. Accounts receivable are stated net of an allowance for doubtful accounts of \$20,744 (2020: \$20,744).

Top three customers represent 91% of trade accounts receivable as of September 30, 2021 (December 31, 2020 - three customers represented 85%). As of November 25, 2021, 90% of the accounts receivable balance was collected. As of September 30, 2021, approximately \$41,960 (December 31, 2020 - \$30,110) of the Company's receivable were 60 days past due of which approximately \$20,744 (December 31, 2020 - \$20,744) have been allowed for as doubtful debts.

(c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due.

The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. Senior management is also actively involved in the review and approval of planned expenditures.

As at September 30, 2021, the Company has accounts payable and accrued liabilities, demand loan and current portion of lease obligations of \$3,799,198 due within 12 months (December 31, 2020 - \$3,875,164), cash of \$48,960 (December 31, 2020 - \$37,005), receivables of \$268,618 (December 31, 2020 - \$221,148) and intangibles-short term of \$277,742 (December 31, 2020 - \$184,596) to meet its current obligations. As a result, the Company has liquidity risk.

(d) Economic Dependence

One customer represents 91% of the Company's revenue in the current period (2020 - one customer, accounting for more than 84% of total revenues).

The Company depends on large telecommunications carriers to provide certain products and services. If these carriers were unwilling or unable to provide such products and services in the future, the Company's ability to provide products and services to its customers may be adversely affected and the Company may not be able to obtain similar services from alternative carriers on a timely basis or on terms favorable to the Company.

(e) Fair value

The estimated fair values of accounts receivable, accounts payable, accrued liabilities and demand loans debt approximates their carrying values due to the relatively short-term nature of the instruments. The fair value of intangible - short term is based on open market price.

FINTECH SELECT LTD.

Notes to condensed consolidated interim financial statements (Unaudited)

September 30, 2021

(Presented in Canadian Dollars)

11. RELATED PARTY TRANSACTIONS AND BALANCES

The following summarizes the Company's outstanding balances with related parties:

	September 30, 2021	September 30, 2020
Accounts payable	\$ 328,548	281,464

The balances are non-secured and without interest or payment terms. They mainly represent compensations due to directors for services provided.

12. KEY MANAGEMENT COMPENSATION

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Company's key management personnel include the board of directors, Chief Executive Officer & President, Chief Financial Officer and Director of Business Operations.

Remuneration of Directors and key management of Company was as follows:

	Three months ended September 30	
	2021	2020
Salaries and Benefits	\$ 121,346	\$ 95,192

FINTECH SELECT LTD.

Notes to condensed consolidated interim financial statements (Unaudited)

September 30, 2021

(Presented in Canadian Dollars)

13. PROVISION

In April, 2017, the Company was served by a service provider with a Statement of Claim filed in the Ontario Superior Court of Justice (the "**Claim**") for the amount of \$4,000,000. The Claim relates to the shortfall of a secured cash pledge ("Secured Deposit"), as per the Special Account Agreement executed between the Company and the service provider. The Company has recorded its best estimate of the liabilities associated to the service provider as of June 30, 2021. The Company has been working on settling this claim. The company does not expect that any additional loss will be incurred.

In July 2019, one of the Company's subsidiary ("subsidiary") has been served with a Statement of Claim by Her Majesty the Queen in Right of Alberta ("Alberta") in the amount of \$633,284 (the "Alberta Claim"). The Alberta Claim relates to the balance of funds on expired cards pursuant to a Card Management Agreement between the subsidiary and Alberta. The claimed amount was included in the Claim served on the Company by its service provider. The Company has recorded such payables in its financial statements. The Company intends to vigorously defend the Claim, as all of the funds claimed by Alberta were deposited in the Company's service provider's bank account and not that of the subsidiary.

14. COVID 19

During the year, the outbreak of the novel strain of coronavirus, specifically identified as "COVID 19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID 19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operating subsidiaries in future periods.

During the quarter ended September 30, 2021, the Company received government subsidies in related to COVID 19 under the Canadian Emergency Wage Subsidy ("CEWS") program in the amount of \$69,013 which was credited to Salaries and Benefits.