VERDE AGRITECH LIMITED

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FIRST QUARTER ENDED 31 MARCH 2025

VERDE AGRITECH LIMITED

CONTENTS OF THE FINANCIAL STATEMENTS

VERDE AGRITECH LIMITED

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2025

The accompanying unaudited consolidated financial statements of Verde AgriTech Limited ("Verde", the "Company", or the "Group") for the first quarter ended 31 March 2025 have been prepared by and are the responsibility of the Company's management. They have been prepared in accordance with IAS 34 'Interim Financial Reporting' issued by the International Auditing and Assurance Board ("IAASB") and do not include all of the information and disclosures that would be required by International Financial Reporting Standards for annual audited financial statements. The interim consolidated financial statements should be read in conjunction with the Group's audited financial statements including the notes thereto for the year ended 31 December 2024. The financial information has not been reviewed or audited by the Group's auditor.

These financial statements have been approved by the Audit Committee and the Board of Directors of the Group.

VERDE AGRITECH LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the quarter ended 31 March 2025.

All amounts expressed in Canadian Dollars.

	Note	3 Months ended 31 Mar 2025 $'000	3 Months ended 31 Mar 2024 $'000
Revenue		**2,852**	**5,068**
Cost of sales		**(1,492)**	**(2,528)**
Gross Profit		1,360	2,540
Sales and distribution expenses		**(1,966)**	**(1,918)**
Administrative expenses		**(1,763)**	**(3,988)**
Operating (Loss) / Profit		(2,369)	(3,366)
Finance costs		**(1,481)**	**(1,661)**
Finance income		**73**	**284**
Loss before tax from continuing operations		(3,777)	(4,743)
Income tax expense		**(4)**	**(9)**
Loss for the quarter		(3,781)	(4,752)

Loss per share ($)		**3 Months ended 31 Mar 2025**	3 Months ended 31 Mar 2024
Basic and dilutive loss per share	4	**(0.072)**	(0.090)

VERDE AGRITECH LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the quarter ended 31 March 2025

All amounts expressed in Canadian Dollars.

	Note	**3 Months ended 31 Mar 2025 $'000**	3 Months ended 31 Mar 2024 $'000
Loss for the period from continuing operations		**(3,781)**	(4,752)

Other comprehensive income

Items that may be reclassified subsequently to profit or loss:

Exchange differences on translating foreign operations	**1,758**	27
Total comprehensive loss for the period attributable to equity holders of the parent	**(2,023)**	(4,725)

VERDE AGRITECH LIMITED

STATEMENT OF CASH FLOWS

For the Quarter Ended 31 March 2025

All amounts expressed in Canadian Dollars.

Cash flows from operating activities	**3 months ended 31 Mar 2025 $'000**	3 months ended 31 Mar 2024 $'000
Loss before tax	(3,777)	(4,743)
Depreciation	806	874
Amortisation of right of use asset	-	16
Depletion of mineral property	1	62
Loss from disposal of property, plant and equipment	400	-
Loss from disposal of Right-of-use assets	35	-
Foreign exchange differences	708	118
Share-based payments	161	1,777
Derivative financial instruments	3	(163)
Deferred taxes	0	16
Expected credit losses on trade receivable	524	145
Finance costs	1,438	1,583
Operating cash flows before changes in working capital	**299**	**(315)**
Decrease / (Increase) in inventories	(126)	164
Increase in receivables	(1,759)	(571)
Decrease in payables	870	(1,122)
Cash utilised in operations	**(1,015)**	**(1,529)**
Interest paid	(165)	(1,000)
Taxation paid	(4)	(15)
Net cash utilised in operating activities	**(885)**	**(2,859)**
Cash flows from investing activities		
Financial investments	-	(23)
Acquisition of mineral property assets	(3)	-
Acquisition of property, plant and equipment	(65)	(246)
Net cash utilised in investing activities	**(68)**	**(269)**
Cash flows from financing activities		
Bank loans received	-	1,844
Bank loans payments (principal)	-	(2,610)
Lease liabilities payments	(43)	(6)
Net cash (utilised in) / generated in financing activities	**(43)**	**(772)**
Net increase in cash and cash equivalents	(996)	(3,900)
Cash and cash equivalents at beginning of period	-	6,975
Effect of exchange rate fluctuations on cash held	3,476	125
Cash and cash equivalents at end of period	**2,480**	**3,200**

VERDE AGRITECH LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025
All amounts expressed in Canadian Dollars.

Assets	Note	31 March 2025 ($'000)	31 Dec 2024 ($'000)
Property, plant and equipment	5	**41,809**	**39,865**
Right-of-use asset	6	**-**	**34**
Mineral properties	7	**18,194**	**17,290**
Other assets	8	**763**	**366**
Deferred tax asset		**2,601**	**2,413**
Total non-current assets		**63,367**	**59,968**
Inventory		**1,835**	**1,709**
Trade and other receivables		**7,702**	**6,864**
Cash and cash equivalents	13	**2,480**	**3,476**
Total current assets		**12,017**	**12,049**
Total assets		**75,384**	**72,017**
Equity attributable to the equity holders of the parent			
Issued capital	10	**20,652**	**20,652**
Capital contribution		**49,862**	**49,862**
Merger reserve		**(4,557)**	**(4,557)**
Translation reserve		**(14,992)**	**(16,750)**
Accumulated losses		**(22,492)**	**(18,872)**
Total equity		**28,473**	**30,335**
Liabilities			
Interest-bearing loans and borrowings	12	**43,839**	**39,444**
Lease liabilities	6	**-**	**24**
Provisions		**167**	**155**
Total non-current liabilities		**44,006**	**39,623**
Trade and other payables		**2,572**	**1,740**
Interest-bearing loans and borrowings	12	**293**	**265**
Lease liabilities	6	**-**	**17**
Other financial liabilities	9	**40**	**37**
Total current liabilities		**2,905**	**2,059**
Total liabilities		**46,911**	**41,682**
Total equity and liabilities		**75,384**	**72,017**

VERDE AGRITECH LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

All amounts expressed in Canadian Dollars.

	Share capital ($'000)	Capital contribution ($'000)	Merger reserve ($'000)	Translation reserve ($'000)	Accumulated losses ($'000)	Total ($'000)
Balance at 1 January 2024	**20,652**	**49,862**	**(4,557)**	**(12,004)**	**(8,447)**	**45,506**
Comprehensive profit						
Loss for the period	-	-	-	-	(4,752)	(4,752)
Foreign exchange translation differences	-	-	-	28	-	28
Total comprehensive loss for the period	**-**	**-**	**-**	**28**	**(4,752)**	**(4,724)**
Transactions with owners						
Issue of share capital	-	-	-	-	-	-
Share-based payments	-	-	-	-	1,777	1,777
Total transactions with owners	**-**	**-**	**-**	**-**	**1,777**	**1,777**
Balance at 31 March 2024	**20,652**	**49,862**	**(4,557)**	**(11,976)**	**(11,422)**	**42,559**
Comprehensive profit						
Loss for the period	-	-	-	-	(7,806)	(7,806)
Foreign exchange translation differences	-	-	-	(4,774)	-	(4,774)
Total comprehensive loss for the period	**-**	**-**	**-**	**(4,774)**	**(7,806)**	**12,580)**
Transactions with owners						
Issue of share capital	-	-	-	-	-	-
Share-based payments	-	-	-	-	356	356
Total transactions with owners	**-**	**-**	**-**	**-**	**356**	**356**
Balance at 31 December 2024	**20,652**	**49,862**	**(4,557)**	**(16,750)**	**(18,872)**	**30,335**
Balance at 1 January 2025	**20,652**	**49,862**	**(4,557)**	**(16,750)**	**(18,872)**	**30,335**
Loss for the period	-	-	-	-	(3,781)	(3,781)
Foreign exchange translation differences	-	-	-	1,758	-	1,758
Total comprehensive loss for the period	**-**	**-**	**-**	**1,758**	**(3,781)**	**(2,023)**
Issue of share capital	-	-	-	-	-	-
Share-based payments	-	-	-	-	161	161
Total transactions with owners	**-**	**-**	**-**	**-**	**161**	**161**
Balance at 31 March 2025	**20,652**	**49,862**	**(4,557)**	**(14,992)**	**(22,492)**	**28,473)**

VERDE AGRITECH LIMITED
NOTES TO THE GROUP FINANCIAL STATEMENTS

1. Corporate information

The consolidated financial statements of Verde Agritech Limited and its subsidiaries (together referred to as the 'Group') for the quarter ended 31 March 2025 were authorised for issue on 15 May 2025, in accordance with a resolution of the directors. Verde Agritech Limited (the parent) is a limited company incorporated and domiciled in Singapore and whose shares are publicly traded on the Canadian Toronto Stock Exchange ("TSX") under the symbol "NPK", and on the OTC Markets ("OTCMKTS") under the symbol "VNPKF". The registered office is located 16 Collyer Quay # 17 – 00, Collyer Quay Centre, Singapore, 049318.

The principal activity of the Group is mineral extraction and production and sale of fertilizer.

2. Material accounting policies

2.1 Basis of preparation

The accounting policies and methods of computation used in the preparation of the unaudited consolidated financial information are the same as those described in the Group's audited consolidated financial statements and notes thereto for the year ended 31 December 2024. The annual financial statements are prepared in accordance with international accounting standards and with IFRSs as promulgated by the International Accounting Standards Board ("IASB") and their interpretations issued by the IFRIC.

In the opinion of management, the accompanying interim financial information includes all adjustments considered necessary for fair and consistent presentation of financial statements. These interim consolidated financial statements should be read in conjunction with the Group's audited financial statements and notes for the year ended 31 December 2024.

The statutory accounts for the year ended 31 December 2024 have been filed with SEDAR. The auditors' report on these accounts was unqualified.

The consolidated financial statements have been prepared on a historical cost basis and are presented in Canadian Dollars ("CAD") rounded to the nearest thousand ($'000), except when otherwise indicated.

Going concern basis of preparation

For the period ended 31 March 2025, the Group reported operating revenue of $2,852, a net loss of -$3,781 and net cash flows from operating activities of -$885. Moreover, the Group presented a working capital surplus of $9,112. This improvement was primarily driven by the renegotiation of loans, extending their payment terms to the long term, which positively impacted the Group's working capital position.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

When assessing the going concern basis of preparation, the Directors have assessed the experience and saleability of the products, along with forward orders taken and expected cash generation and reserves.

2. Material accounting policies (continued)

2.1 Basis of preparation (continued)

The Directors believes that the assumptions used to estimate the Group's results are reasonable, but any changes in the macroeconomic scenario may have adverse impacts on the Group's ability to continue as a going concern. In the event that the Group's cash generation, together with its current cash reserves, is not sufficient to fulfil its cash obligations and requirements, the Directors will seek in advance other forms of capital inflow, which may include debt restructuring.

In conclusion, based on the Group's current cash balance, and Group's expectation regarding cash generation, working capital and current debt requirements, the Directors have a reasonable expectation that the Group will maintain the continuity of its activities for at least the next 12 months.

3. Operating segments

The Group's operations relate to the mining of mineral deposits and sale of multi-nutrient potassium specialty fertilizer marketed in Brazil with support provided from the Singapore and the UK and as such, the Group has only one operating segment.

4. Loss per share

Basic loss per share

The calculation of basic loss per share at 31 March 2025 was based on the loss attributable to ordinary shareholders of -$3,781 (31 March 2024: -$4,752) and a weighted average number of Ordinary Shares outstanding during the period ended 31 March 2025 of 52,669,723 (31 March 2024: 52,669,724) calculated as follows:

Loss attributable to ordinary shareholders

	3 months ended 31 Mar 2025	3 months ended 31 Mar 2024
Loss for the period ($'000)	(3,781)	(4,752)
Loss attributable to ordinary shareholders ($'000)	(3,781)	(4,752)

Weighted average number of ordinary shares

	3 months ended 31 Mar 2025	3 months ended 31 Mar 2024
Weighted average number of ordinary shares outstanding – basic ('000)	52,670	52,670
Dilutive Stock options	-	-
Weighted average number of ordinary shares outstanding – dilutive ('000)	52,670	52,670
Basic (loss) / earnings per share	($0.072)	($0.090)
Diluted (loss) / earnings per share	($0.072)	($0.090)

4. Loss per share (continued)

The determination of the weighted average number of ordinary shares outstanding for the calculation of diluted earnings per share does not include the following effect of stock options which were anti-dilutive to earnings per share. For the period ended 31 March 2025, as result of the loss for the period the stock options are deemed anti-dilutive.

	3 months ended 31 Mar 2025	3 months ended 31 Mar 2024
Anti-dilutive Stock options	5,009	1,540

5. Property, plant and equipment

($'000)	Land and buildings	Plant and equipment	Computer equipment	Furniture and fixtures	Other assets	Total
Cost						
Balance at 1 January 2024	29,165	23,336	851	399	192	53,943
Additions	201	3	1	-	664	869
Disposals	(11)	-	(18)	-	-	(29)
Transfers	(8,452)	8,661	13	(248)	26	-
Effect of movements in foreign exchange	(3,114)	(4,601)	(125)	(22)	(32)	(7,894)
Balance at 31 December 2024	17,789	27,399	722	129	850	46,889
Balance at 1 January 2025	17,789	27,399	722	129	850	46,889
Additions	19	8	-	-	38	65
Disposals	-	-	-	-	(400)	(400)
Effect of movements in foreign exchange	1,384	2,131	54	10	53	3,632
Balance at 31 March 2025	**19,192**	**29,538**	**776**	**139**	**541**	**50,186**
Depreciation and impairment losses						
Balance at 1 January 2024	-	4,366	238	138	-	4,742
Depreciation charge for the period	507	2,331	141	10	-	2,989
Transfers	937	(966)	107	(78)	-	-
Depreciation on disposals	-	-	(14)	-	-	(14)
Effect of movements in foreign exchange	(137)	(498)	(50)	(8)	-	(693)
Balance at 31 December 2024	1,307	5,233	422	62	-	7,024
Balance at 1 January 2025	1,307	5,233	422	62	-	7,024
Depreciation charge for the period	137	629	37	3	-	806
Effect of movements in foreign exchange	102	408	33	4	-	547
Balance at 31 March 2025	**1,546**	**6,270**	**492**	**69**	**-**	**8,377**
Carrying amounts						
At 1 January 2024	29,165	18,970	613	261	192	49,201
At 31 December 2024	16,482	22,166	300	67	850	39,865
At 1 January 2025	16,482	22,166	300	67	850	39,865
At 31 March 2025	**17,646**	**23,268**	**284**	**70**	**541**	**41,809**

6. Right-of-use assets

Cost	Total ($'000)
Balance at 1 January 2024	67
Additions	4
Effect of movements in foreign exchange	(10)
Balance at 31 December 2024	61
Balance at 1 January 2025	61
Additions	-
Write-off of right-of-use assets	(65)
Effect of movements in foreign exchange	4
Balance at 31 March 2025	**-**
Amortisation	
Balance at 1 January 2024	15
Amortisation charge for the year	14
Effect of movements in foreign exchange	(2)
Balance at 31 December 2024	27
Balance at 1 January 2025	27
Amortisation charge for the period	-
Write-off of right-of-use assets	(30)
Effect of movements in foreign exchange	3
Balance at 31 March 2025	**-**
Carrying amounts	
At 1 January 2024	52
At 31 December 2024	**34**
At 1 January 2025	34
At 31 March 2025	**-**

Lease liabilities

The following table outlines the future lease payments:

	31 Mar 2025 $'000	31 Dec 2024 $'000
Not later than one year	-	17
Later than one year but not later than five years	-	24
Total	**-**	**41**

7. Mineral properties

	Total ($'000)
Cost	
Balance at 1 January 2024	19,904
Additions	89
Mine closure provision	32
Write-off of mineral properties	(21)
Effect of movements in foreign exchange	(2,076)
Balance at 31 December 2024	17,928
Balance at 1 January 2025	17,928
Additions	3
Effect of movements in foreign exchange	950
Balance at 31 March 2025	**18,881**
Amortisation	
Balance at 1 January 2024	**1,002**
Amortisation charge for the year	70
Amortization Reversal - Estimate Change	(329)
Effect of movements in foreign exchange	(105)
Balance at 31 December 2024	638
Balance at 1 January 2025	638
Amortisation charge for the period	1
Effect of movements in foreign exchange	48
Balance at 31 March 2025	**687**
Carrying amounts	
At 1 January 2024	18,902
At 31 December 2024	**17,290**
At 1 January 2025	17,290
At 31 March 2025	**18,194**

8. Other assets

($'000)	3 months ended 31 Mar 2025	31 Dec 2024
Receivables	763	366
Total	**763**	**366**

Long-term receivables is mostly comprised of judicial deposits.

9. Other financial assets and liabilities

($'000)	3 months ended 31 Mar 2025	31 Dec 2024
Derivative - Swap contracts	40	37
Total	**40**	**37**

10. Share capital

Issued - Ordinary Shares	31 Mar 2025		31 Dec 2024	
	Number	$'000	Number	$'000
At 1 January	**52,669,724**	**20,652**	52,669,724	20,652
Issuance of ordinary shares	-	-	-	-
At end of period	**52,669,724**	**20,652**	**52,669,724**	**20,652**

11. Share-based payments

During the period the Group granted share options to key personnel to purchase shares in the entity.

The number and weighted average exercise prices of share options are as follows:

	31 Mar 2025		31 Dec 2024	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding at the beginning of the period	$1.42	4,923,985	$1.09	2,732,619
Granted during the period	$0.65	100,000	$1.10	3,010,548
Exercised during the period	-	-	-	-
Cancelled/Forfeited during the period	$1.11	(15,115)	$1.52	(819,182)
Outstanding at the end of the period	**$1.41**	**5,008,870**	**$1.42**	**4,923,985**
Exercisable at the end of the period	**$0.70**	**3,523,116**	**$0.71**	**3,479,184**

The options outstanding at 31 March 2025 have an exercise price in the range of $0.40 to $7.76 (2024: $0.40 to $7.76) and a weighted average remaining contractual life of 7.1 years (31 December 2024: 7.3 years). The option awards vest in varying tranches:

11. Share-based payments (continued)

Issue date	**Vesting period**
March 2025	10% on issue, followed by 10% years one to four and final 50% in year five

At 31 March 2025, 3,523,116 of the options had vested (31 December 2024: 3,479,184).

Fair value of share options and assumptions ($)	31 Mar 2025	31 Dec 2024
Weighted average fair value of options granted during the period	$0.37	$0.70
Weighted average share price	$0.65	$1.10
Weighted average exercise price	$0.65	$1.10
Expected volatility (expressed as weighted average volatility used in the modelling under Black-Scholes model)	89%	100%
Option life	3	3
Expected dividends	-	-
Risk-free interest rate (based on national government bonds)	2.63%	3.38%

The expected volatility is based on the historic volatility of the share price (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility due to publicly available information. There are no market conditions associated with the share option grants.

($'000)	31 Mar 2025	31 Dec 2024
Total expense recognised as employee costs	161	2,133

VERDE AGRITECH LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

11. Share-based payments (continued)

Details of share options outstanding at 31 March 2025 are as follows:

Number of options							Exercisable period	
Outstanding at beginning of period	Granted	Forfeited	Exercised	Outstanding at end of period	Exercisable at end of period	Exercise price ($)	Grant date	Expiry date
131	-	-	-	131	131	$0.61	24 Sep 2018	24 Sept 2028
65,000	-	-	-	65,000	65,000	$0.61	24 Sep 2018	24 Sept 2028
124,490	-	-	-	124,490	124,490	$0.63	01 Mar 2019	01 Mar 2029
167,500	-	-	-	167,500	167,500	$0.63	01 Mar 2019	01 Mar 2029
21,000	-	(6,000)	-	15,000	15,000	$0.67	1 Sept 2019	1 Sept 2029
24,684	-	-	-	24,684	24,684	$0.40	25 Mar 2020	25 Mar 2030
21,683	-	-	-	21,683	10,842	$1.22	5 Mar 2021	5 Mar 2031
750,000	-	-	-	750,000	750,000	$1.22	5 Mar 2021	5 Mar 2031
15,061	-	(1,515)	-	13,546	5,419	$1.21	10 May 2021	10 May 2031
13,662	-	-	-	13,662	5,465	$7.76	16 Mar 2022	16 Mar 2032
3,000	-	-	-	3,000	900	$7.11	5 Nov 2022	5 Nov 2032
400	-	(400)	-	-	-	$6.51	17 Feb 2023	17 Feb 2033
110,500	-	(1,500)	-	109,000	10,900	$2.23	19 May 2023	19 May 2033
98,452	-	-	-	98,452	33,474	$2.23	19 May 2023	19 May 2033
736,179	-	-	-	736,179	250,301	$2.32	15 July 2023	15 July 2033
79,995	-	-	-	79,995	15,999	$3.13	28 Aug 2023	28 Aug 2033
81,000	-	(1,000)	-	80,000	16,000	$1.20	28 Mar 2024	28 Mar 2034
1,900,000	-	-	-	1,900,000	1,900,000	$1.20	28 Mar 2024	28 Mar 2034
101,548	-	-	-	101,548	33,511	$0.74	17 May 2024	17 May 2034
474,700	-	(4,700)	-	470,000	47,000	$0.80	19 June 2024	19 June 2034
100,000	-	-	-	100,000	33,000	$0.83	27 June 2024	27 June 2034
15,000	-	-	-	15,000	1,500	$0.71	12 Aug 2024	12 Aug 2034
20,000	-	-	-	20,000	2,000	$0.63	12 Dec 2024	12 Dec 2034
-	100,000	-	-	100,000	10,000	$0.65	24 Mar 2025	24 Mar 2035
4,923,985	**100,000**	**(15,115)**	**-**	**5,008,870**	**3,523,116**			

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on the Black-Scholes model.

12. Interest-bearing loans and borrowings

($'000)	31 Mar 2025	31 Dec 2024
Non-current liabilities ($'000)		
Bank loans	43,839	39,444
Current liabilities ($'000)		
Bank loans	293	265
Total	**44,132**	**39,709**

The Group did not receive any loans during the period.

12. Interest-bearing loans and borrowings (Continued)

Summary of Interest-bearing loans and borrowings

Lender	Loan start date	Purpose	Grace period (months)	Term (months)	Loan value (R$'000)	Balance at Mar 31, 2024 (C$'000)	Repayable by	Total interest payable*
Brazil [f]	Apr,2024	Working capital	6	6	3,341	838	Sep, 2034	CDI[1]+2.0%
Voiter [e]	Mar,2024	Working capital	3	24	5,000	1,195	Sep, 2034	CDI[1]+2.0%
Brazil [f]	Mar,2024	Working capital	6	6	1,651	414	Sep, 2034	CDI[1]+2.0%
Banco BCG[e]	Dec, 2023	Working capital	6	18	10,000	2,305	Sep, 2034	CDI[1]+2.0%
Brazil[a] [d]	Nov, 2023	Working capital	12	36	8,000	2,415	Sep, 2034	CDI[1]+2.0%
ABC Brazil[a] [e]	Oct, 2023	Working capital	6	18	15,000	3,704	Sep, 2034	CDI[1]+2.0%
Bradesco[a]	Oct, 2023	Working capital	6	24	20,000	4,565	Sep, 2034	CDI[1]+2.0%
Brazil[c] [d]	Aug, 2023	Working capital	12	36	40,000	12,572	Sep, 2034	CDI[1]+2.0%
Votorantim[e]	Jul, 2023	Working capital	12	36	5,000	1,145	Sep, 2034	CDI[1]+2.0%
Brazil[c]	Apr, 2023	Working capital	12	60	20,000	5,767	Sep, 2034	CDI[1]+2.0%
Inter[e]	Jan,2023	Working capital	12	24	5,000	356	Sep, 2034	CDI[1]+2.0%
Brazil	Apr, 2023	Transaction costs			(1,368)	(168)	Sep, 2034	CDI[1]+2.0%
Various	Prior to 2023		0	60	62,665	9,024	Sep, 2034	CDI[1]+2.0%
Total					**194,289**	**44,132**		

[1] - CDI, (from Portuguese "*Certificado de Depósito Interbancário*") is the average of interbank overnight rates in Brazil.
As at March 31, 2024, the 12 months cumulative rate was 11.27%.

Bank loans are secured as follows:
Indicator [a] – Loan value secured by trade receivables
Indicator [b] – Future sales contracts
Indicator [c] – Plant / Factory
Indicator [d] – Financial investments
Indicator [e] – None

VERDE AGRITECH LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

13. Financial instruments

The Board of Directors determines, as required, the degree to which it is appropriate to use financial instruments and hedging techniques to mitigate risks. The main risks for which such instruments may be appropriate are foreign exchange risk, interest rate risk and liquidity risk each of which is discussed below. There is no perceived credit risk as the Group and Company have minimal other financial receivables and bank deposits are made with financial institutions considered to have strong credit ratings.

Foreign currency risk

The Group's cash resources are mainly held in Brazilian Real. Exchange rate fluctuations may adversely affect the Group's financial position and results. The Group's financial results are reported in Canadian Dollars and its revenues, costs and finance costs are primarily incurred in Brazilian Real.

The appreciation of Brazilian Real against the Canadian Dollar could increase the actual revenues and operating costs of the Group's operations and materially affect the results presented in the Group's financial statements.

Currency exchange fluctuations may also materially adversely affect the Group's future cash flows from operations, its results of operations, financial condition and prospects. The Group has a general policy of not hedging against foreign currency risks. The Group manages foreign currency risk by regularly reviewing the balances held in currencies other than the functional currency to match expected expenditure in foreign currency.

The Group and Company had the following short-term deposits and cash and cash equivalents in various currencies including its presentational currency. The amounts are stated in Canadian Dollar equivalents:

Currency ($'000)	31 Mar 2025	31 Dec 2024
Canadian Dollars	197	222
Brazilian Reais	2,244	3,234
American Dollars	26	7
British Pounds	-	-
Singaporean Dollars	13	13
Total	**2,480**	**3,476**

The Brazilian Reais deposits are held as interbank deposit certificates, with no maturity date and track Brazil's short term interest rate (SELIC), which was 14.25% at March 31, 2025.

Foreign currency risk sensitivity analysis showing a 10% weakening/strengthening of the Brazilian Real against the Canadian Dollar with all other variables held constant is set out below. 10% represents the reasonable possible exposure.

	Equity ($'000)	
	31 Mar 2025	31 Dec 2024
10% weakening of Brazilian Real	(3,806)	(3,244)
10% strengthening of Brazilian Real	3,114	2,654

14. Financial instruments (continued)

Liquidity risk

The Group has relied on revenue generated from the sale of Product, along with shareholder funding and long-term loans to finance its operations. The liquidity risk is significant and is managed by controls over expenditure and cash resources. The Group and Company have borrowings, trade and other payables with a maturity of less than one year with borrowings and a provision greater than one year.

Interest rate risk

The Group's policy is to retain its surplus funds in the most advantageous term of deposit available up to twelve month's maximum duration.

The group's policy is to make conservative investments, typically linked to the interest rate set by the Brazilian government (SELIC). Variations in this government interest rate can affect financial expenses, as the group's loans are also tied to the same interest rate.

The Group’s average current loan rate is 18.11% per annum. The Brazilian Government long term bond rate as at 31 March 2025 was 14.25%. Based on Brazilian Central Bank perspectives for long term bond rate the Directors does not understand that it is reasonably possible that a significant increase in interest rate is expected for the foreseeable future.

Credit risk

Credit risk arises when a failure by counterparties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Group generates revenue from the sale of products. Where credit is extended to customers this results in trade receivables which may be subject to default. This risk is mitigated by credit control procedures.

In addition, the company has a credit risk relating to subsidiary investments. The Company expects loans to subsidiaries to be ultimately repaid from trading cash flows to be generated from its mining activities. Consideration is given at each reporting date as to whether the subsidiaries have sufficient liquid assets to repay the loans if demanded in order to determine the probability of default. The Company measures the lifetime expected credit loss by considering all the different recovery strategies and credit loss scenarios. The recovery strategy considered is a repay over time strategy as net trading cash flows are expected to repay the balances. Likely credit losses scenarios are dependent on the operating capability factors inherent in the successful operation of the mine which include the selling price of the products, future costs and availability of capital, operating costs and tax rates. Sensitivity analysis is performed on the various factors and expected credit losses recognised as appropriate.

Fair values

In the Directors’ opinion there is no material difference between the book value and fair value of any of the Group’s and Company’s financial instruments. The non-current loans and financing bear interest over floating interest rates.

15. Financial instruments (continued)

Classes of financial instruments

The classes of financial instruments are the same as the line items included on the face of the statement of financial position and have been analysed in more detail in the notes to the financial statements. All of the Group's and Company's financial assets are categorised as loans and receivables and all financial liabilities are measured at amortised cost.

16. Subsequent event

Court Approval of Debt Renegotiation Agreement

In April 2025, Verde AgriTech Ltd secured civil court approval for its Debt Renegotiation Agreement initially disclosed in October and November 2024. Under this restructuring plan, adherent creditors representing approximately 92% of Verde's total outstanding debt agreed to extended repayment terms of up to 126 months, an 18-month grace period on principal and interest payments, and reduced interest rates. Non-adherent creditors faced a mandatory 75% reduction in their principal obligations, significantly enhancing Verde's liquidity and financial stability[1].

[1]Learn more at: "Verde Announces Court Approval of Debt Renegotiation Agreement"