

VERDE AGRITECH LIMITED

UNAUDITED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS

THIRD QUARTER ENDED 30 SEPTEMBER 2025



VERDE AGRITECH LIMITED

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VERDE AGRITECH LIMITED

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE

THIRD QUARTER ENDED 30 SEPTEMBER 2025

The accompanying unaudited consolidated financial statements of Verde AgriTech Limited ("Verde", the "Company", or the "Group") for the first quarter ended 30 September 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 30 September 2025.

All amounts expressed in Canadian Dollars.

Note	3 Months ended 30 Sep 2025 \$'000	3 Months ended 30 Sep 2024 \$'000	9 months ended 30 Sep 2025 \$'000	9 months ended 30 Sep 2024 \$'000
Revenue	5,873	7,161	13,525	18,709
Production costs	(2,204)	(2,565)	(5,745)	(7,649)
Gross Profit	3,669	4,596	7,780	11,060
Sales and distribution expenses	(2,430)	(3,525)	(6,110)	(9,611)
General and administrative expenses	(1,930)	(1,966)	(5,756)	(6,777)
Operating (Loss) / Profit	(691)	(895)	(4,086)	(5,328)
Finance income	106	32	239	445
Finance costs	(1,494)	(1,463)	(4,429)	(4,817)
(Loss) / Profit before tax from continuing operations	(2,079)	(2,326)	(8,276)	(9,700)
Income tax expense	(7)	(10)	(17)	(27)
(Loss) / Profit	(2,086)	(2,336)	(8,293)	(9,727)

(Loss) / Earnings per share (\$)	3 months ended 30 Sep 2025 \$'000	3 months ended 30 Sep 2024 \$'000	9 months ended 30 Sep 2025 \$'000	9 months ended 30 Sep 2024 \$'000
Basic (loss) / earnings per share	(0.040)	(0.044)	(0.157)	(0.185)
Dilutive (loss) / earnings per share	(0.040)	(0.044)	(0.157)	(0.185)

VERDE AGRITECH LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the quarter ended 30 September 2025

All amounts expressed in Canadian Dollars.

	Note	3 months ended 30 Sep 2025 \$'000	3 months ended 30 Sep 2024 \$'000	9 months ended 30 Sep 2025 \$'000	9 months ended 30 Sep 2024 \$'000
(Loss) / Profit for the period		(2,086)	(2,336)	(8,293)	(9,727)
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translating foreign operations		1,138	(175)	2,556	(3,050)
Total comprehensive loss for the period attributable to equity holders of the parent		(948)	(2,511)	(5,737)	(12,777)

VERDE AGRITECH LIMITED

STATEMENT OF CASH FLOWS

For the Quarter Ended 30 September 2025

All amounts expressed in Canadian Dollars.

	3 months ended 30 Sep 2025 \$'000	3 months ended 30 Sep 2024 \$'000	9 months ended 30 Sep 2025 \$'000	9 months ended 30 Sep 2024 \$'000
Cash flows from operating activities				
Operating profit	(2,079)	(2,326)	(8,276)	(9,700)
Depreciation	914	666	2,521	2,382
Amortization of mineral property	-	4	-	12
Depletion of mineral property	2	17	5	52
Loss from disposal of property, plant and equipment	12	27	413	27
Loss from disposal of Right-of-use assets	2	-	37	-
Foreign exchange differences	816	(345)	1,465	(2,017)
Share-based payments and non-cash bonuses	(8)	104	225	2,146
Derivative financial instruments	1	-	4	(287)
Deferred taxes	-	(23)	-	253
Expected credit losses on trade receivable	165	625	684	839
Finance costs	1,459	1,331	4,324	4,382
Decrease/(Increase) in inventories	45	232	220	779
Decrease / (Increase) in receivables	53	1,233	(2,183)	1,538
(Decrease) / Increase in payables	268	(21)	1,751	(897)
Cash generated/(utilized) in operations	1,650	1,524	1,190	(491)
Interest paid	(107)	(16)	(321)	(1,150)
Taxation paid	(7)	(8)	(15)	(30)
Net cash (utilized) / generated in operating activities	1,536	1,500	854	(1,671)
Cash flows from investing activities				
Financial investments	-	-	-	1,711
Acquisition of mineral property assets	(107)	(84)	(149)	(84)
Acquisition of property, plant and equipment	(53)	(293)	(155)	(677)
Net cash utilized in investing activities	(160)	(377)	(304)	950
Cash flows from financing activities				
Bank loan received	-	(148)	-	2,518
Bank loans payments (principal)	(25)	(399)	(34)	(5,793)
Lease Liabilities Additions	-	(4)	-	-
Lease liabilities payments	(2)	(5)	(45)	(16)
Net cash generated from financing activities	(27)	(556)	(79)	(3,291)
Net increase/(decrease) in cash and cash equivalents	1,349	567	471	(4,012)
Cash and cash equivalents at beginning of period	(173)	2,720	(391)	6,975
Effect of exchange rate fluctuations on cash held	2,380	139	3,476	463
Cash and cash equivalents at end of period	3,556	3,426	3,556	3,426

VERDE AGRITECH LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 Sep 2025

All amounts expressed in Canadian Dollars.

Assets	Note	30 Sep 2025 (\$'000)	31 Dec 2024 (\$'000)
Property, plant and equipment	5	42,013	39,865
Right-of-use asset	6	-	34
Mineral properties	7	18,874	17,290
Other assets	8	791	366
Deferred tax asset		2,713	2,413
Total non-current assets		64,391	59,968
Inventory		1,489	1,709
Trade and other receivables		7,938	6,864
Cash and cash equivalents	13	3,556	3,476
Total current assets		12,983	12,049
Total assets		77,374	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		(14,194)	(16,750)
Accumulated losses		(26,940)	(18,872)
Total equity		24,823	30,335
Liabilities			
Interest-bearing loans and borrowings	12	45,484	39,444
Lease liabilities	6	-	24
Provisions		127	155
Total non-current liabilities		45,611	39,623
Trade and other payables		3,441	1,740
Interest-bearing loans and borrowings	12	3,458	265
Lease liabilities	6	-	17
Other financial liabilities	9	41	37
Total current liabilities		6,940	2,059
Total liabilities		52,551	41,682
Total equity and liabilities		77,374	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)	Translatio n 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	-	-	-	-	(9,727)	(9,727)
Foreign exchange translation differences	-	-	-	(3,050)	-	(3,050)
Total comprehensive loss for the period	-	-	-	(3,050)	(9,727)	(12,777)
Transactions with owners						
Issue of share capital	-	-	-	-	-	-
Share-based payments	-	-	-	-	2,146	2,146
Total transactions with owners	-	-	-	-	2,146	2,146
Balance at 30 September 2024	20,652	49,862	(4,557)	(15,054)	(16,028)	34,875
Comprehensive profit						
Loss for the period	-	-	-	-	(2,831)	(2,831)
Foreign exchange translation differences	-	-	-	(1,696)	-	(1,696)
Total comprehensive loss for the period	-	-	-	(1,696)	(2,831)	(4,527)
Transactions with owners						
Issue of share capital	-	-	-	-	-	-
Share-based payments	-	-	-	-	(13)	(13)
Total transactions with owners	-	-	-	-	(13)	(13)
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
Comprehensive profit						
Loss for the period	-	-	-	-	(8,293)	(8,293)
Foreign exchange translation differences	-	-	-	2,556	-	2,556
Total comprehensive loss for the period	-	-	-	2,556	(8,293)	(5,737)
Transactions with owners						
Issue of share capital	-	-	-	-	-	-
Share-based payments	-	-	-	-	225	225
Total transactions with owners	-	-	-	-	225	225
Balance at 30 September 2025	20,652	49,862	(4,557)	(14,194)	(26,940)	24,823

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 30 September 2025 were authorised for issue on 05 November 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 "VNPKE". 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 30 September 2025, the Group reported operating revenue of \$13,525, a net loss of -\$8,293 and net cash flows from operating activities of \$1,536. Moreover, the Group presented a working capital surplus of \$6,043. 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.

VERDE AGRITECH LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

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 30 September 2025 was based on the loss attributable to ordinary shareholders of -\$8,293 (30 September 2024-\$9,727) and a weighted average number of Ordinary Shares outstanding during the period ended 30 September 2025 of 52,669,724 (30 September 2024: 52,669,724) calculated as follows:

Loss attributable to ordinary shareholders

	9 months ended 30 Sep 2025	9 months ended 30 Sep 2024
(Loss) / Profit for the period (\$'000)	(8,293)	(9,727)
(Loss) / Profit attributable to ordinary shareholders (\$'000)	(8,293)	(9,727)

Weighted average number of ordinary shares

	Number 30Sep 2025	Number 30 Sep 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 earnings per share	(\$0.157)	(\$0.185)
Diluted earnings per share	(\$0.157)	(\$0.185)

VERDE AGRITECH LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

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 30 September 2025, as result of the loss for the period the stock options are deemed anti-dilutive.

	9 months ended 30 Sep 2025	9 months ended 30 Sep 2024
Anti-dilutive Stock options	4,811	4,987

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NOTES TO THE GROUP FINANCIAL STATEMENTS

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	10	43	12	1	89	155
Disposals	-	-	(14)	-	(412)	(426)
Effect of movements in foreign exchange	2,210	3,402	87	16	85	5,800
Balance at 30 September 2025	20,009	30,844	807	146	612	52,418

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	428	1,968	116	9	-	2,521
Depreciation on disposals	-	-	(13)	-	-	(13)
Effect of movements in foreign exchange	163	651	52	7	-	873
Balance at 30 September 2025	1,898	7,852	577	78	-	10,405

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 30 September 2025	18,111	22,992	230	68	612	42,013

VERDE AGRITECH LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

6. Right-of-use assets

	Total (\$'000)
Cost	
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	(68)
Effect of movements in foreign exchange	7
Balance at 30 September 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	(31)
Effect of movements in foreign exchange	4
Balance at 30 September 2025	-
Carrying amounts	
At 1 January 2024	52
At 31 December 2024	34
At 1 January 2025	34
At 30 September 2025	-

Lease liabilities

The following table outlines the future lease payments:

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

VERDE AGRITECH LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

7. Mineral properties

Cost	Total (\$'000)
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	149
Effect of movements in foreign exchange	1,517
Balance at 30 September 2025	19,594
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	5
Effect of movements in foreign exchange	77
Balance at 30 September 2025	720
Carrying amounts	
At 1 January 2024	18,902
At 31 December 2024	17,290
At 1 January 2025	17,290
At 30 September 2025	18,874

VERDE AGRITECH LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

8. Other assets

(\$'000)	30 Sep 2025	31 Dec 2024
Receivables	791	366
Total	791	366

Long-term receivables is mostly comprised of judicial deposits.

9. Other financial assets and liabilities

(\$'000)	30 Sep 2025	31 Dec 2024
Derivative - Swap contracts	41	37
Total	41	37

10. Share capital

Issued - Ordinary Shares	30 Sep 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:

	30 Sep 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	\$0.57	185,000	\$1.10	3,010,548
Exercised during the period	-	-	-	-
Cancelled/Forfeited during the period	\$1.62	(298,354)	\$1.52	(819,182)
Outstanding at the end of the period	\$1.32	4,810,631	\$1.42	4,923,985
Exercisable at the end of the period	\$0.77	3,842,219	\$0.71	3,479,184

The options outstanding at 30 September 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 6.7 years (31 December 2024: 7.3 years). The option awards vest in varying tranches:

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NOTES TO THE GROUP FINANCIAL STATEMENTS

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
August 2025	10% on issue, followed by 10% years one to four and final 50% in year five

At 30 September 2025, 3,842,219 of the options had vested (31 December 2024: 3,479,184).

Fair value of share options and assumptions (\$)	30 Sep 2025	31 Dec 2024
Weighted average fair value of options granted during the period	\$0.34	\$0.70
Weighted average share price	\$0.57	\$1.10
Weighted average exercise price	\$0.57	\$1.10
Expected volatility (expressed as weighted average volatility used in the modelling under Black-Scholes model)	93%	100%
Option life	3	3
Expected dividends	-	-
Risk-free interest rate (based on national government bonds)	2.83%	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)	30 Sep 2025	31 Dec 2024
Total expense recognised as employee costs	225	2,133

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NOTES TO THE GROUP FINANCIAL STATEMENTS

11. Share-based payments (continued)

Details of share options outstanding at 30 Sep 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	-	(20,000)	-	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	-	(11,000)	-	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	-	(5,000)	-	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	-	(4,959)	-	11,480	6,429	\$1.21	10 May 2021	10 May 2031
13,662	-	(4,800)	-	10,662	4,265	\$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	-	(24,500)	-	96,500	21,300	\$2.23	19 May 2023	19 May 2033
98,452	-	-	-	98,452	65,962	\$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)	-	23,998	23,998	\$3.13	28 Aug 2023	28 Aug 2033
81,000	-	(9,000)	-	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	44,681	\$0.74	17 May 2024	17 May 2034
474,700	-	(33,700)	-	465,500	93,500	\$0.80	19 June 2024	19 June 2034
100,000	-	-	-	100,000	44,000	\$0.83	27 June 2024	27 June 2034
15,000	-	(5,000)	-	10,500	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	10,000	\$0.65	24 Mar 2025	24 Mar 2035
-	85,000	-	-	85,000	8,500	\$0.48	13 Ago 2025	13 Ago 2035
4,923,985	185,000	(298,354)	-	4,810,631	3,842,219			

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)	30 Sep 2025	31 Dec 2024
Non-current liabilities (\$'000)		
Bank loans	45,484	39,444
Current liabilities (\$'000)		
Bank loans	3,458	265
Total	48,942	39,709

The Group did not receive any loans during the period.

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NOTES TO THE GROUP FINANCIAL STATEMENTS

12. Interest-bearing loans and borrowings (Continued)

Summary of Interest-bearing loans and borrowings

Purpose	Balance at Sep 30, 2025 (C\$'000)	Repayable by	Total interest payable*
Working capital ^(a)	45,204	Sep, 2034	CDI ⁽¹⁾ +2.0%
Working capital	2,692	Sep, 2034	TR ⁽²⁾
Fixed asset acquisition ^(b)	470	Oct, 2029	CDI ⁽¹⁾ +2.0%
Fixed asset acquisition ^(b)	697	Sep, 2034	CDI ⁽¹⁾ +2.0%
Transaction costs	(121)	Apr, 2028	
Total	48,942		

⁽¹⁾ - CDI, (from Portuguese "*Certificado de Depósito Interbancário*") is the average of interbank overnight rates in Brazil. As at 30 September, 2025, the 12 months cumulative rate was 13.31%.

⁽²⁾ - *Taxa Referencial* (TR), currently at around 1.70% per year.

Bank loans are secured as follows:

Indicator ^(a) – Plant / Factory

Indicator ^(b) – Fixed charge over the equipment purchased

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.

U.S. Trade Tariff Risk

The recent imposition of additional U.S. tariffs on selected Brazilian exports introduces a new layer of external trade risk for the broader agribusiness sector. Effective August 6, 2025, an extra tariff was levied on various Brazilian goods entering the United States, increasing total tariff rates to as high as 50% for certain products. While some exemptions apply, several key agricultural commodities have been directly impacted. The evolving nature of U.S. trade policy introduces uncertainties that may affect global commodity flows, pricing dynamics, and financial markets. Although Verde has minimal to no direct exposure to U.S. markets—serving an almost entirely domestic customer base—the Company remains vigilant to any indirect effects stemming from macroeconomic shifts or policy responses. Management continues to monitor the situation closely and assess potential implications for Verde's strategic positioning, operational continuity, and financial performance.

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)	30 Sep 2025	31 Dec 2024
Canadian Dollars	80	222
Brazilian Reais	3,438	3,234
American Dollars	25	7
Singaporean Dollars	13	13
Total	3,556	3,476

VERDE AGRITECH LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

13. Financial instruments (continued)

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 15.00% at 30, September 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)	
	30 Sep 2025	31 Dec 2024
10% weakening of Brazilian Real	(4,231)	(3,244)
10% strengthening of Brazilian Real	3,462	2,654

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 17.00% per annum. The Brazilian Government long term bond rate as at 30 September 2025 was 15.00%. 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

VERDE AGRITECH LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

13. Financial instruments (continued)

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.

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.