



VERDE AGRITECH LTD.

(Registration No: 202222202R)

Statement by Directors and Financial Statements

Year Ended 31 December 2025



VERDE AGRITECH LTD.

Statement by Directors and Financial Statements

Contents	Page
Statement by Directors.....	1
Independent Auditor's Report	4
Consolidated Statement of Profit or Loss and Other Comprehensive Income	9
Statements of Financial Position.....	10
Statements of Changes in Equity.....	11
Consolidated Statement of Cash Flows	13
Notes to the Financial Statements	14

VERDE AGRITECH LTD.

Statement by Directors

The Directors of Verde Agritech Ltd. (“the Company”) are pleased to present the accompanying financial statements of the Company and of the Group for the reporting year ended 31 December 2025.

1. Opinion of the Directors

In the opinion of the Directors,

- (a) the accompanying financial statements and the consolidated financial statements are drawn up so as to give a true and fair view of the financial position and performance of the Company and, of the financial position and performance of the Group for the reporting year covered by the financial statements or consolidated financial statements; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors approved and authorised these financial statements for issue.

2. Directors

The Directors of the Company in office at the date of this statement are:

Cristiano Botelho Veloso
 Renato Couto Gomes
 Fernando Prezotto
 Hannah Oh

3. Directors’ interests in shares and debentures

The Directors of the Company holding office at the end of the reporting year had no interests in shares in or debentures of the Company or other related body corporate as recorded in the register of directors’ interests in shares in or debentures kept by the Company under section 164 of the Companies Act 1967 (the “Act”) except as follows.

<u>Name of directors and companies in which interests are held</u>	<u>At beginning of the reporting year</u>	<u>At end of the reporting year</u>
	<u>Number of shares of no par value</u>	
Cristiano Botelho Veloso	4,779,830	4,779,830
Renato Couto Gomes	196,716	166,716
	<u>Options</u>	
Cristiano Botelho Veloso	3,342,511	3,342,511
Renato Couto Gomes	100,000	100,000
Fernando Prezotto	100,000	100,000
Hannah Oh	100,000	100,000

VERDE AGRITECH LTD.

Statement by Directors

4. Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures

Options issued to the directors are described below. Neither at the end of the reporting year nor at any time during the reporting year did there subsist arrangements to which the Company is a party, being arrangements whose objects are, or one of whose objects is, to enable directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate except for the options rights and other rights mentioned below.

5. Options

Pursuant to the Directors' resolution dated 1 August 2022, it was resolved that following the completion of the review and approval of the Employee Share Option Plan scheme ("ESOP scheme") by the Directors of the Company, the ESOP scheme be released for approval by way of a sole shareholder's resolution pursuant to Section 184G of the Act and Regulation 53 of the Constitution of the Company. The Share Option Plan was approved by way of a sole shareholder's resolution on 1 August 2022.

The ESOP scheme is administered by the Directors of the Company with the assistance of the Compensation Committee and the Chief Executive Officer of the Company. The Compensation Committee shall periodically make recommendations to the Board of Directors of the Company as to the grant of options under the ESOP scheme.

In addition to the powers granted to the Directors of the Company under the ESOP scheme and subject to the terms of the Plan, the Directors of the Company shall have full and complete authority to grant options, interpret the terms and conditions of the ESOP scheme, to prescribe such rules and regulations as it deems necessary for the proper administration of the ESOP scheme and to make such determinations and to take such actions in connection therewith as it deems necessary or advisable. Any such interpretation, rule, determination or other act of the Directors of the Company shall be conclusively binding upon all persons.

During the reporting year, there were 24,000 shares issued by virtue of the exercise of an option to take up shares.

The number of unissued shares under option at the end of the reporting year are disclosed in Note 22.

VERDE AGRITECH LTD.

Statement by Directors

6. Independent auditor

RSM SG Assurance LLP has expressed willingness to accept re-appointment.

On behalf of the directors

Cristiano Veloso

.....
Cristiano Botelho Veloso
Director

Renato Gomes

.....
Renato Couto Gomes
Director

Singapore
March 23, 2026

**RSM SG Assurance LLP**

8 Wilkie Road, #03-08, Wilkie Edge
Singapore 228095

T +65 6533 7600

Assurance@RSMSingapore.sg
www.RSMSingapore.sg

**Independent Auditor's Report to the Members of
VERDE AGRITECH LTD.**

– 1 –

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Verde Agritech Ltd. ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows of the Group, and statement of changes in equity of the Company for the reporting year then ended, and notes to the financial statements, including material accounting policy information.

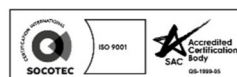
In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards International ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2025 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the reporting year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code"), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Singapore. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current reporting year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters



**Independent Auditor's Report to the Members of
VERDE AGRITECH LTD.**

– 2 –

Key audit matters

Going concern assessment

For the year ended 31 December 2025, the Group reported a loss of \$11,670,000. As at 31 December 2025, the Group is in a net current asset position of \$2,098,000 but the Company's current liabilities exceeded its current assets by \$212,000. As more fully disclosed in Note 1 of the financial statements, the financial statements have been prepared on a going concern basis as the Directors believe that the Group and Company will maintain the continuity of its activities for at least the next 12 months from the date of the financial statements.

We identified this as a key audit matter because the going concern assessment, including the preparation of cash flow forecast for the next 12 months from the date of these financial statements involve significant management judgement and estimation.

The Directors used critical judgements in developing the future cash flow estimates underlying their business plans. Assumptions used in the future cash flow estimates included discount rate, life of mine, production volume, revenue growth, and the Group' and the Company's ability to maintain the current and necessary level of financing.

How our audit addressed this matter

Our audit procedures included:

- Comparing the cash flow projections for the 16-month cash flow projection from the end of the reporting year obtained from management to those approved by the Directors;
- Testing the accuracy and completeness of the cash flow projections used in the going concern assessment;
- Obtaining agricultural related reports which support the reasonability of management's projections for both volume and pricing perspectives;
- Comparing the results of the historical numbers to assess management's ability to project sales and the basis of the key assumptions used in forming the cash flow projections;
- Inspecting the extrajudicial recovery plan approved by the Brazilian court as per applicable Brazilian legislation, covering the renegotiated terms with respect to principal payments, interest charges and covenants and ensure that the loans are being classified accordingly based on the renegotiated terms; and
- Analysing the Group's financing facilities based on the renegotiated terms included in the extrajudicial recovery plan covering principal payments, interest charges and loan covenants to ensure no non-compliance with the terms are noted; and

Independent Auditor's Report to the Members of VERDE AGRITECH LTD.

– 3 –

Other matters

The Group has also issued separate audited financial statements dated 18 March 2026 that are submitted to foreign stock exchanges, namely, the Canadian Toronto Stock Exchange ("TSX") under the symbol "NPK", and the OTC Markets ("OTCMKTS") under the symbol "VNPKE" which is audited by RSM Brasil Auditores Independentes Ltda.

There are no material differences noted between the financial statements and the audited financial statements submitted to TSX and OTCMKTS. Our audit opinion relates only to these audited financial statements issued by us. This matter does not affect our opinion on these financial statements for the year ended 31 December 2025.

Other information

Management is responsible for the other information. The other information comprises the statement by directors but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, Management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Directors' responsibilities include overseeing the Group's financial reporting process.

**Independent Auditor's Report to the Members of
VERDE AGRITECH LTD.**

– 4 –

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

**Independent Auditor's Report to the Members of
VERDE AGRITECH LTD.**

– 5 –

Auditor's responsibilities for the audit of the financial statements

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Poh Chin Beng.

Signed by:

RSM SG Assurance LLP

2DBB69B9C115474...

RSM SG Assurance LLP
Public Accountants and
Chartered Accountants

Singapore
23 March 2026

VERDE AGRITECH LTD.**Consolidated Statement of Profit or Loss and Other Comprehensive Income
Year Ended 31 December 2025**

	<u>Notes</u>	<u>Group</u> <u>2025</u> CAD\$'000	<u>2024</u> CAD\$'000
Revenue	5	16,605	21,597
Cost of sales	7	(7,703)	(9,350)
Gross profit		<u>8,902</u>	<u>12,247</u>
Other income and gains	6	339	473
Distribution costs	7	(9,642)	(11,391)
Administrative expenses	7	(6,052)	(8,748)
Finance costs	8	(5,197)	(5,108)
Loss before tax		<u>(11,650)</u>	<u>(12,527)</u>
Income tax expense	10	(20)	(31)
Loss for the year		<u>(11,670)</u>	<u>(12,558)</u>
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations, net of tax		<u>1,826</u>	<u>(4,746)</u>
Other comprehensive loss for the year, net of tax		<u>1,826</u>	<u>(4,746)</u>
Total comprehensive loss for the year		<u>(9,844)</u>	<u>(17,304)</u>
Earnings per share (loss)			
Loss per share			
Basic	11	<u>(0.221)</u>	<u>(0.238)</u>
Diluted	11	<u>(0.221)</u>	<u>(0.238)</u>

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

VERDE AGRITECH LTD.

**Statements of Financial Position
As at 31 December 2025**

	Notes	Group		Company	
		2025 CAD\$'000	2024 CAD\$'000	2025 CAD\$'000	2024 CAD\$'000
ASSETS					
<u>Non-current assets</u>					
Property, plant and equipment	12	39,445	39,864	-	-
Right-of-use assets	13	-	34	-	-
Mineral properties	14	18,374	17,290	-	-
Deferred tax assets	10	2,595	2,413	-	-
Other non-financial assets	15	396	367	-	-
Investments in subsidiaries	16	-	-	47,549	47,676
Total non-current assets		60,810	59,968	47,549	47,676
<u>Current assets</u>					
Inventories	17	1,376	1,709	-	-
Trade and other receivables	18	5,311	6,864	126	157
Cash and cash equivalents	19	2,985	3,476	283	242
Total current assets		9,672	12,049	409	399
Total assets		70,482	72,017	47,958	48,075
EQUITY AND LIABILITIES					
<u>Equity</u>					
Share capital	20	20,664	20,652	20,664	20,652
Accumulated losses		(30,262)	(18,872)	(3,839)	(3,810)
Capital contribution	21	49,862	49,862	30,512	30,512
Merger reserve	21	(4,557)	(4,557)	-	-
Translation reserve	21	(14,924)	(16,750)	-	-
Total equity		20,783	30,335	47,337	47,354
<u>Non-current liabilities</u>					
Provisions	23	128	155	-	-
Loans and borrowings	24	41,997	39,444	-	-
Lease liabilities	25	-	24	-	-
Total non-current liabilities		42,125	39,623	-	-
<u>Current liabilities</u>					
Trade and other payables	26	2,148	1,740	621	721
Loans and borrowings	24	5,421	265	-	-
Financial liabilities – derivatives and at FVTPL, current	27	5	37	-	-
Lease liabilities, current	25	-	17	-	-
Total current liabilities		7,574	2,059	621	721
Total liabilities		49,699	41,682	621	721
Total equity and liabilities		70,482	72,017	47,958	48,075

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

VERDE AGRITECH LTD.**Statements of Changes in Equity
Year Ended 31 December 2025**

Group	Total equity CAD\$'000	Capital contribution CAD\$'000	Share capital CAD\$'000	Merger reserve CAD\$'000	Translation reserve CAD\$'000	Accumulated losses CAD\$'000
Current year						
Opening balance at 1 January 2025	30,335	49,862	20,652	(4,557)	(16,750)	(18,872)
Changes in equity:						
Total comprehensive loss for the year	(9,844)	-	-	-	1,826	(11,670)
Share-based payments (Note 22)	280	-	-	-	-	280
Issuance of share capital (Note 20)	12	-	12	-	-	-
Closing balance at 31 December 2025	20,783	49,862	20,664	(4,557)	(14,924)	(30,262)
Previous year:						
Opening balance at 1 January 2024	45,506	49,862	20,652	(4,557)	(12,004)	(8,447)
Changes in equity:						
Total comprehensive loss for the year	(17,304)	-	-	-	(4,746)	(12,558)
Share-based payments (Note 22)	2,133	-	-	-	-	2,133
Closing balance at 31 December 2024	30,335	49,862	20,652	(4,557)	(16,750)	(18,872)

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

VERDE AGRITECH LTD.**Statements of Changes in Equity
Year Ended 31 December 2025**

	<u>Total equity</u> CAD\$'000	<u>Capital contribution</u> CAD\$'000	<u>Share capital</u> CAD\$'000	<u>Accumulated losses</u> CAD\$'000
Current year				
Opening balance at 1 January 2025	47,354	30,512	20,652	(3,810)
Changes in equity:				
Total comprehensive loss for the year	(309)	-	-	(309)
Share-based payments	280	-	-	280
Issuance of share capital (Note 20)	12	-	12	-
Closing balance 31 December 2025	<u>47,337</u>	<u>30,512</u>	<u>20,664</u>	<u>(3,839)</u>
Previous year:				
Opening balance at 1 January 2024	47,062	30,512	20,652	(4,102)
Changes in equity:				
Total comprehensive loss for the year	(1,841)	-	-	(1,841)
Share-based payments	2,133	-	-	2,133
Closing balance 31 December 2024	<u>47,354</u>	<u>30,512</u>	<u>20,652</u>	<u>(3,810)</u>

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

VERDE AGRITECH LTD.**Consolidated Statement of Cash Flows
Year Ended 31 December 2025**

	<u>Group</u>	
	<u>2025</u>	<u>2024</u>
	CAD\$'000	CAD\$'000
<u>Cash flows used in operating activities</u>		
Loss profit before tax	(11,650)	(12,527)
Adjustment for:		
Finance costs	5,062	4,282
Interest income	(339)	(473)
Depreciation of property, plant and equipment	3,211	2,989
Amortisation of right-of-use asset	-	14
Amortisation reversal – estimate change	-	(329)
Loss from disposal of property, plant, and equipment	447	15
Loss from disposal of right-of-use assets	35	-
Expected credit losses on trade receivables	906	2,120
Amortisation of mineral property	6	70
Foreign exchange loss, net	1,025	(2,650)
Fair value loss on financial assets and liabilities – derivatives and at FVTPL, unrealised	3	(268)
Share-based payment expense	280	2,133
Operating cash flows before changes in working capital	(1,049)	(4,624)
Inventories	333	739
Trade and other receivables	617	4,699
Trade and other payables	478	(2,057)
Net cash flows from (used in) operations	379	(1,243)
Interest paid	(385)	(1,078)
Income tax paid	(20)	(37)
Net cash flows used in operating activities	(26)	(2,358)
<u>Cash flows (used in) from investing activities</u>		
Purchase of property, plant and equipment	(258)	(869)
Purchase of mineral property assets	(211)	(89)
Interest received	339	473
Financial investments	-	1,711
Net cash flows (used in) from investing activities	(130)	1,226
<u>Cash flows used in financing activities</u>		
Bank loans received	-	2,361
Bank loans repayments	(62)	(5,462)
Lease liabilities payments	(42)	(19)
Proceeds from issue of shares	12	-
Net cash flows used in financing activities	(92)	(3,120)
Net decrease in cash and cash equivalents	(248)	(4,252)
Cash and cash equivalents at beginning of the year	3,476	6,975
Effect of exchange rate fluctuations on cash held	(243)	753
Cash and cash equivalents at end of the year (Note 19)	2,985	3,476

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

VERDE AGRITECH LTD.

Notes to the Financial Statements 31 December 2025

1. General information

Verde Agritech Limited (“the Company”) was incorporated on 27 June 2022 and domiciled in Singapore. The Company’s 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 address of its registered office is 16 Collyer Quay, #17-00 Collyer Quay Centre, Singapore 049318.

The Board of Directors approved and authorise these financial statements for issue on the date of the statement by Directors. The directors have the power to amend and reissue the financial statements.

The principal activities of the Company are that of a holding company.

The principal activities of the subsidiaries are disclosed in Note 16 to the financial statements.

Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“SFRS (I)s”) and the related Interpretations to SFRS (I) (“SFRS (I) INT”) as issued by the Accounting Standards Committee under ACRA (“ASC”). They comply with the provisions of the Companies Act 1967 and with the IFRS Accounting Standards (“IFRSs”) as issued by the International Accounting Standards Board (“IASB”).

Basis of preparation of the financial statements

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

The financial statements are presented in Canadian dollars (“CAD” or “\$”) and in thousands (“CAD’000” or “\$’000”).

VERDE AGRITECH LTD.**1. General information****Going concern disclosures**

Uncertainties relating to the current economic conditions and going concern

The Group continues to face challenges from the uncertain and challenging macroeconomic and geopolitical environment that have caused widespread changes in interest rates and a rise in inflation, affecting the cost of many of the goods and services for customers, suppliers and employees, and which had and will continue to have an adverse effect on its financial position, financial performance of operations, cash flows and medium and long-term prospects for the foreseeable future. However, improvements may be expected. The Group incurred a loss after tax of CAD\$11,670,000 (2024: CAD\$12,558,000) for the reporting year and as at that date, its current assets exceeded its current liabilities by CAD\$2,098,000 (2024: CAD\$9,990,000). The net cash used in operating activities was CAD\$26,000 (2024: CAD\$2,358,000). The disruptions arising from current economic conditions may materially affect the reporting entity's ability to generate sufficient cash flows from its operations. These events or conditions appear to cast significant doubt upon the reporting entity's ability to continue as a going concern for at least twelve months from the date of the approval of these financial statements.

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

The Directors believe that there are reasonable grounds that the Group will be able to continue as a going concern after consideration of the following factors:

- The Group's ability to maintain cash surplus based on the 16-month cash flow projection from the end of the reporting year;
- The Group's ability to make payments for its loan balance payables, as and when it is due, based on the repayment terms with its creditors by way of the extrajudicial recovery plan as approved by the Brazilian court on 8 November 2024 (Note 24);
- The Group's ability to be able to secure sales contracts to cover the projected sales volume and support the projected sales; and
- The Group's ability to convert its receivable from debtors into cash by way of a factoring arrangement with the banks for current and future sales.
- The Group's ability to obtain net cash proceeds of approximately CAD 4.0 million from a brokered private placement of units after deduction of broker commissions, transaction fees and other offering-related costs.

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 twelve months from the date of the approval of these financial statements.

VERDE AGRITECH LTD.**1. General information****Basis of presentation and principles of consolidation**

The consolidated financial statements of the Group include the financial statements made up to the end of the reporting year of the Company and all of its subsidiaries, presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions are eliminated on consolidation. Subsidiaries are consolidated from the date the reporting entity obtains control of the investee. They are de-consolidated from the date that control ceases.

Changes in the Group's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity as transactions with owners in their capacity as owners. The carrying amounts of the Group's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. When the Group loses control of a subsidiary it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at fair value at the date when control is lost and is subsequently accounted as equity investments financial assets in accordance with the financial reporting standard on financial instruments.

The Company's separate financial statements have been prepared on the same basis, and as permitted by the Companies Act 1967, the Company's separate statement of profit or loss and other comprehensive income is not presented.

2. Material accounting policy information and other explanatory notes**2A. Material accounting policy information****Revenue and income recognition**

General – Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, and modifications), net of any related taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

Sale of goods – Revenue is recognised at a point in time when the performance obligation is satisfied by transferring a promised good to the customer. Control of the goods is transferred to the customer, generally on delivery of the goods (in this respect, incoterms are considered).

VERDE AGRITECH LTD.**2. Material accounting policy information and other explanatory notes****2A. Material accounting policy information****Employee benefit expenses**

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it is obligated to contribute for the Singapore employees to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). Certain subsidiaries overseas have defined contribution retirement benefit plans in which employees are entitled to join upon fulfilling certain conditions. The assets of the fund may or may not be held separately from those of the reporting entity in an independently administered fund. The entity contributes a fixed percentage of the salary of each participating employee. For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Foreign currency transactions

The Group's presentation currency is Canadian Dollars ("CAD" or "\$"). The Directors considers this to be most appropriate for a company that is listed on the Toronto Stock Exchange, raises funding and remunerates the board of directors in Canadian Dollars. The functional currency of the Company is also considered to be Canadian Dollars.

Transactions in currencies other than the functional currency of the Company are recorded at a rate of exchange approximating to that prevailing at the date of the transaction. At the end of the reporting year, monetary assets and liabilities that are denominated in currencies other than the functional currency are translated at the amounts prevailing at the reporting year end and any gains or losses arising are recognised in profit or loss.

VERDE AGRITECH LTD.**2. Material accounting policy information and other explanatory notes****2A. Material accounting policy information****Foreign currency transactions**

The results and financial position of the Group's overseas operations in Brazil from the functional currency ("R\$") are translated into the presentation currency as follows: the assets and liabilities are translated into CAD at foreign exchange rates ruling at the end of the reporting year; and the income and expenses at average exchange rates during the quarters unless these do not approximate the foreign exchange rates ruling at the dates of the transactions, in which case, income and expenses are translated at the dates of the transactions. All resulting exchange differences are recognised in other comprehensive income. At 31 December 2025 the closing rate of exchange of Canadian Dollars to one Brazilian Reais was 4.00 (2024: 4.40) and the average rate of exchange of Canadian Dollars to one Brazilian Reais for the year was 4.00 (2024: 3.93). Such translation should not be construed as a representation that the CAD amounts could be converted into R\$ at the above rate or other rates.

Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (e.g. by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset or liability that market participants would take into account. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Transfers between levels of the fair value hierarchy are recognised at the end of the reporting year during which the change occurred.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are material differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements. The recurring measurements are made at each reporting year end date.

VERDE AGRITECH LTD.**2. Material accounting policy information and other explanatory notes****2A. Material accounting policy information****Income tax**

Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. Current income tax is the expected tax payable on the taxable income for the reporting year; calculated using rates enacted or substantively enacted at the statements of financial position date; and inclusive of any adjustment to income tax payable or recoverable in respect of previous reporting years. Deferred tax is recognised using the liability method; based on temporary differences between the carrying amounts of assets and liabilities in the financial statements and their respective income tax bases; and determined using tax rates that have been enacted or substantively enacted by the reporting year end date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax liability or asset is recognised for all taxable temporary differences associated with investments in subsidiaries, branches and associates, and joint arrangements except where the reporting entity is able to control the timing of the reversal of the taxable temporary difference and it is probable that the taxable temporary difference will not reverse in the foreseeable future or for deductible temporary differences, they will not reverse in the foreseeable future and they cannot be utilised against taxable profits.

Mineral properties

Mineral properties are carried at cost, less accumulated depletion and any accumulated impairment charges. Costs of mineral properties include purchase price of the mineral properties, rehabilitation obligation associated with the mine activity and accumulated costs transferred from exploration and evaluation expenditure to mineral property, which includes costs incurred include appropriate technical exploration and evaluation expenditure and directly attributable overheads. Such costs are transferred when the technical and commercial feasibility of an area of interest has been demonstrated, financing has been secured and the appropriate permits have been issued, the area of interest enters its development phase.

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. At the point of transfer from exploration and evaluation asset, an impairment test is required. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

After the commencement of production, further development of the mine may require a phase of unusually high stripping that is similar in nature to development phase stripping. The cost of such stripping is accounted for in the same way as development stripping (i.e. stripping asset accounted for under mineral property). During the reporting year, no stripping asset was recognised due to stripping activity consistent with mine plan.

VERDE AGRITECH LTD.**2. Material accounting policy information and other explanatory notes****2A. Material accounting policy information****Mineral properties**

A mineral property is amortised on a unit of production method expected to amortise the cost including future forecast capital expenditure over the expected life of the mine based on the tons of ore expected to be extracted. Any changes to these estimates may result in an increase in the amortisation charge with a corresponding reduction in the carrying value of the mineral property. This percentage is reviewed annually.

Property, plant and equipment

Property, plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. The cost comprises of purchase price or construction cost and any costs directly attributable to bringing the asset into operation and, for qualifying assets (where relevant), borrowing costs.

Depreciation is provided on a straight-line method to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets (or, for certain leased assets, the shorter lease term). An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle.

Right-of-use assets

The right-of-use assets are accounted and presented as if they were owned such as property, plant and equipment.

Leases of lessee

A lease conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. Where a lease arrangement is identified, a liability to the lessor is recognised as a lease obligation calculated at the present value of minimum unavoidable lease payments. A corresponding right-of-use asset is recorded. Lease payments are apportioned between finance costs and reduction of the lease liability so as to reflect the interest on the remaining balance of the liability. Finance charges are recorded as a finance cost. Leases with a term of 12 months or less and leases for low value are not recorded as a liability and lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. For short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office equipment) where an accounting policy choice exists under the lease standard, for such leases, a right-of-use asset is recognised.

Leases of lessor

For a lessor a lease is classified as either an operating lease or a finance lease. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Operating leases are for rental income. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset and it is presented in its statements of financial position as a receivable at an amount equal to the net investment in the lease. For a finance lease the finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

VERDE AGRITECH LTD.**2. Material accounting policy information and other explanatory notes****2A. Material accounting policy information****Inventory**

Finished goods and stockpile ore are recorded at the lower of production cost and net realisable value. Net realisable value is the estimated future sales price of the product the Group expects to realise when the product is processed and sold, less estimated costs to complete production and bring the product to sale. Cost is determined by using the weighted-average method and comprises direct purchase costs and an appropriate portion of fixed and variable overhead costs, including depreciation and amortisation, incurred in converting materials into finished goods, based on the normal production capacity.

Packaging and other inventories are valued at the lower of cost and net realisable value. Cost is determined on an average cost basis.

Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the reporting entity and the reporting entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of substantive potential voting rights that the reporting entity has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the reporting entity controls another entity. The investment in a subsidiary is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

Carrying amounts of non-financial assets

The carrying amount of non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is expensed.

Financial instruments

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires. At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

VERDE AGRITECH LTD.**2. Material accounting policy information and other explanatory notes****2A. Material accounting policy information****Financial instruments**

Classification of financial assets and financial liabilities and subsequent measurement:

The financial reporting standard on financial instruments requires the certain classification of financial assets and financial liabilities. At the end of the reporting year, the reporting entity had the following classes:

- Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss ("FVTPL"), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are in this class.
- Financial liabilities are classified as at FVTPL in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

Cash and cash equivalents

For the consolidated statement of cash flows, cash and cash equivalents includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash flows are reported using the indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, and items of income or expense associated with investing or financing cash flows.

Equity-settled share-based payments

Equity-settled share-based payments are measured at fair value at the date of the grant and expensed– with a corresponding increase in equity (accumulated losses)– on a straight-line basis over the vesting period, based on an estimate of shares that will eventually vest. Fair values are determined through use of a Black-Scholes based model.

The expense is recognised over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the consolidated statement of profit or loss and other comprehensive income for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

VERDE AGRITECH LTD.

2. Material accounting policy information and other explanatory notes

2A. Material accounting policy information

Equity-settled share-based payments

Upon exercise of the share-based payments the Group will either: i) issue new shares based on the exercised options at prevailing exercise price of the corresponding agreement; or ii) transfer of treasury shares to the extent available.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Provisions

Mine closure provision

Mine rehabilitation costs will be incurred by the Group either while operating, or at the end of the operating life of the Group's facilities and mine properties. The nature of these restoration activities includes: dismantling and removing structures; rehabilitating mines and tailings dams; dismantling operating facilities; closing plant and waste sites; and restoring, reclaiming and revegetating affected areas.

Other specific material accounting policy information and other explanatory information

These are included at the relevant notes to the financial statements.

2B. Judgements and sources of estimation uncertainties

Disclosures on material information about the assumptions management made about the future, and other major sources of estimation uncertainty at the end of the reporting year, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below or in the in the corresponding Notes to these financial statements. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

VERDE AGRITECH LTD.**2. Material accounting policy information and other explanatory notes****2B. Judgements and sources of estimation uncertainties**Impairment of non-financial assets

The Directors have assessed whether there are any indicators of impairment in respect of mineral property costs and property, plant and equipment. In making this assessment they have considered the Group's business plan which includes resource estimates, future processing capacity, future exchange rates, the forward market and longer-term price outlook and assumptions regarding weighted average cost of capital. Resource estimates have been based on the most recently filed pre-feasibility study NI 43-101 report and its opportunities economic model which includes resource estimates without conversion of its inferred resources. The Directors' estimates of these factors are subject to risk and uncertainties, including but not limited to the all the risks and uncertainty listed in this document, affecting the recoverability of the Group's mineral property costs. Moreover, the Directors also considered external sources of information, including analysis of the Company's market value, when assessing for impairment indicators. See Note 14.

2C. Key sources of estimation uncertaintyOre reserve and mineral resource estimates

Ore reserves and mineral resource estimates are estimates of the amount of ore that can be economically and legally extracted from the Group's mining properties. Such reserves and mineral resource estimates and changes to these may impact the Group's reported financial position and results, in the following way:

- The carrying value of exploration and evaluation assets, mine properties, property, plant and equipment may be affected due to changes in estimated future cash flows.
- Depreciation and amortisation charges in the consolidated statement of profit or loss and other comprehensive income may change where such charges are determined using the units of production method, or where the useful life of the related assets change.
- Capitalised stripping costs recognised in the statements of financial position, as either part of mine properties or inventory or charged to profit or loss, may change due to changes in stripping ratios.
- Provisions for rehabilitation and environmental provisions may change where reserve estimate changes affect expectations about when such activities will occur and the associated cost of these activities.

The recognition and carrying value of deferred income tax assets may change due to changes in the judgements regarding the existence of such assets and in estimates of the likely recovery of such assets.

The Group estimates its ore reserves and mineral resources based on information compiled by appropriately qualified persons relating to the geological and technical data on the size, depth, shape and grade of the ore body and suitable production techniques and recovery rates. Such an analysis requires complex geological judgements to interpret the data. The estimation of recoverable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements and production costs, along with geological assumptions and judgements made in estimating the size and grade of the ore body.

VERDE AGRITECH LTD.**2. Material accounting policy information and other explanatory notes****2C. Key sources of estimation uncertainty**Ore reserve and mineral resource estimates

The Group estimates and reports ore reserves and mineral resources in line with the principles contained in the pre-feasibility study NI 43-101 report.

Share-based payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting year but may impact profit or loss and equity. See Note 22.

Mine closure provision

The ultimate rehabilitation costs are uncertain, and cost estimates can vary in response to many factors, including estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases as compared to the inflation rates based on the inflation index in Brazil, and changes in discount rates based on risk free rates which are the Brazil Government bond rates. These uncertainties may result in future actual expenditure differing from the amounts currently provided. Therefore, significant estimates and assumptions are made in determining the provision for mine rehabilitation.

As a result, there could be significant adjustments to the provisions established which would affect future financial result. The provision at the end of the reporting date represents the best estimate of the present value of the future rehabilitation costs required. See Note 23.

Deferred tax asset

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Assumptions about the generation of future taxable are based on forecast cash flows from operations (which are impacted by production and sales volumes, selling prices, reserves, operating costs, closure and rehabilitation costs, capital expenditure and other capital management transactions). To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the end of the reporting date could be impacted.

In addition, future changes in tax laws in the jurisdictions in which the Group operates could limit the ability of the Group to obtain tax deductions in future periods. See Note 10.

3. Related party relationships and transactions

The financial reporting standard on related party disclosures requires the reporting entity to disclose: (a) related party relationships, transactions and outstanding balances, including commitments, including (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

VERDE AGRITECH LTD.**3. Related party relationships and transactions****3A. Related party transactions and balances**

There are transactions and arrangements between the reporting entity and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances and transfer of resources, services or obligations if any are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

In addition to the transactions and balances disclosed elsewhere in the notes to the financial statements, this item includes the following:

3B. Key management compensation

	<u>Group</u>	
	<u>2025</u> CAD\$'000	<u>2024</u> CAD\$'000
Directors' fees	48	56
Directors' salaries	776	692
Other key management personnel' salaries	404	499
Share-based payments (Directors)	273	2,107
Share-based payments (Other key management personnel)	18	265
Total	<u>1,519</u>	<u>3,619</u>

Share-based payment charges relates to options granted as described in Note 22.

Share options granted to/(cancelled or forfeited by) directors and key management are as follows:

	<u>Outstanding at beginning of the year</u>	<u>Granted</u>	<u>Cancelled/ Forfeited</u>	<u>Outstanding at end of the year</u>
2025				
Directors	3,642,511	-	-	3,642,511
Other key management	808,284	30,000	(79,995)	758,289
Total	<u>4,450,795</u>	<u>30,000</u>	<u>(79,995)</u>	<u>4,400,800</u>
2024				
Directors	1,626,822	2,101,548	(85,859)	3,642,511
Other key management	457,725	395,000	(44,441)	808,284
Total	<u>2,084,547</u>	<u>2,496,548</u>	<u>(130,300)</u>	<u>4,450,795</u>

The above amounts are included under employee benefits expense. Key management personnel include the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. The above amounts for key management compensation are for the directors. The above amounts do not include compensation if any of certain key management personnel and directors of the company who received compensation from related corporations in their capacity as directors and or executives of those related corporations.

VERDE AGRITECH LTD.**4. 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 Singapore and as such, the Group has only one operating segment.

5. Revenue**5A. Revenue classified by type of good and service**

	<u>2025</u> CAD\$'000	<u>Group</u> <u>2024</u> CAD\$'000
Sale of fertilizer	<u>16,605</u>	<u>21,597</u>

The geographical distribution of sales for the reporting year was as follows:

	<u>2025</u> %	<u>Group</u> <u>2024</u> %
Brazil	100	99
Rest of the world	-	1
Total	<u>100</u>	<u>100</u>

The revenue from sale of goods is recognised based on point in time. The customers are retailers and wholesalers. The Group is exposed to commodity price risk.

6. Other income and gains

	<u>2025</u> CAD\$'000	<u>Group</u> <u>2024</u> CAD\$'000
Interest income	<u>339</u>	<u>473</u>

VERDE AGRITECH LTD.**7. Items in profit and loss**

Cost of sales includes the following:

	<u>Group</u>	
	<u>2025</u> CAD\$'000	<u>2024</u> CAD\$'000
Raw materials and packaging	1,276	1,480
Salaries and wages	1,306	1,740
Mining services	344	625
Maintenance	278	677
Depreciation of property, plant and equipment	3,054	2,838
Other	1,445	1,990
Total cost of sales	<u>7,703</u>	<u>9,350</u>

Distribution costs include the following:

	<u>Group</u>	
	<u>2025</u> CAD\$'000	<u>2024</u> CAD\$'000
Product delivery freight	6,180	7,704
Salaries and wage	1,874	2,285
Other	1,588	1,402
Total distribution costs	<u>9,642</u>	<u>11,391</u>

Administrative expenses include the following:

	<u>Group</u>	
	<u>2025</u> CAD\$'000	<u>2024</u> CAD\$'000
Salaries and wages	2,317	2,382
Expected credit loss allowance on trade and other receivables	920	2,120
Share-based payments	280	2,133
Other	2,535	2,113
Total administrative expenses	<u>6,052</u>	<u>8,748</u>

8. Finance costs

	<u>Group</u>	
	<u>2025</u> CAD\$'000	<u>2024</u> CAD\$'000
Interest on bank loans	5,062	4,274
Other interest	85	638
Other finance costs	50	196
Total finance costs	<u>5,197</u>	<u>5,108</u>

VERDE AGRITECH LTD.

9. Employee benefits expense

	<u>Group</u>	
	<u>2025</u> CAD\$'000	<u>2024</u> CAD\$'000
Short-term employee benefits expense	4,499	5,147
Contributions to defined contribution plan	695	865
Termination benefits	261	327
Other benefits	42	68
Total employee benefit expense	<u>5,497</u>	<u>6,407</u>

10. Income tax expense

10A. Components of tax expense recognised in profit or loss include

	<u>Group</u>	
	<u>2025</u> CAD\$'000	<u>2024</u> CAD\$'000
<u>Current tax expense:</u>		
Current tax expense	20	31
Total income tax expense	<u>20</u>	<u>31</u>

The corporate income tax rate applicable to the Singapore entity is 17% (2024: 17%). In respect to the Group's subsidiaries in Brazil, the applicable income tax rate is 34% (2024: 34%).

The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17.0% (2024: 17.0%) to profit or loss before income tax as a result of the following differences:

	<u>Group</u>	
	<u>2025</u> CAD\$'000	<u>2024</u> CAD\$'000
Loss before tax	<u>(11,650)</u>	<u>(12,527)</u>
Income tax income at the above rate	(1,981)	(2,130)
Effects of different tax rates of subsidiaries operating in other jurisdiction	(1,191)	(1,797)
Expenses not deductible for tax purposes	(139)	24
Origination of temporary differences on which no deferred tax has been recognised	3,331	3,934
Total income tax expense	<u>20</u>	<u>31</u>

There are no income tax consequences of dividends to owners of the Company.

VERDE AGRITECH LTD.**10. Income tax expense****10B. Deferred tax balance in the statements of financial position**

	<u>Group</u>	
	<u>2025</u> CAD\$'000	<u>2024</u> CAD\$'000
Deferred tax liabilities		
Temporary differences from depreciation	(138)	(129)
	<u>(138)</u>	<u>(129)</u>
Deferred tax assets		
Tax loss carry forwards	2,733	2,542
	<u>2,733</u>	<u>2,542</u>
Total deferred tax assets	<u>2,595</u>	<u>2,413</u>

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the tax losses incurred in the following countries:

	<u>Group</u>	
	<u>2025</u> CAD\$'000	<u>2024</u> CAD\$'000
Singapore	-	311
Brazil	7,666	4,024
Total	<u>7,666</u>	<u>4,335</u>

The Group has Brazil tax losses of approximately CAD\$30,586,000 (2024: CAD\$20,712,000) where deferred tax assets recognised with respect to those tax losses is CAD\$2,733,000 (2024: CAD\$2,542,000). As a result, the unrecognised deferred tax assets on the Brazil tax losses is CAD\$7,666,000 (2024: CAD\$4,500,000) by the end of the reporting year. These losses are available to be carried forward and set off against future profits in line with the Life of Mine.

In Brazil, the subsidiary Verde Fertilizantes Ltda. is subject to income taxes (IRPJ and CSLL) using an 'Actual Profits' method (i.e. APM - "Lucro Real", in Portuguese), which is based on taxable income (the tax in this method is approximately 34% of the profit before tax), adjusted by certain additions and exclusions as determined by the legislation.

On the other hand, in accordance the applicable tax regulation, the Brazilian subsidiary FVS Mineração Ltda. have elected to follow the 'Assumed Profits' method, of which the income is calculated on a quarterly basis on an amount equal to different percentages of gross revenue (the tax in this method is approximately 3% of the net revenue) and adjusted as determined by the prevailing legislation. Such tax regime does not allow the utilisation of prior period losses to reduce income tax. Nonetheless, tax losses carried forward from periods before the election to calculate the income tax based on the 'presumed profits' method ("PPM") can be carried forward for future periods and offset against taxable profit, should the entity move to the Lucro Real basis.

VERDE AGRITECH LTD.

11. Earnings per share (loss)

	<u>Group</u>	
	<u>2025</u> CAD\$'000	<u>2024</u> CAD\$'000
(Loss) attributable to owners of the parent	<u>(11,670)</u>	<u>(12,558)</u>
Weighted average number of ordinary shares		
	<u>2025</u> '000	<u>2024</u> '000
Weighted average number of ordinary shares– basic	52,694	52,670
Dilutive stock options	–	–
Weighted average number of ordinary shares– diluted	<u>52,694</u>	<u>52,670</u>
Basic earnings per share (loss)	(\$0.221)	(\$0.238)
Diluted earnings per share (loss)	<u>(\$0.221)</u>	<u>(\$0.238)</u>

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 reporting year ended 31 December 2025, as result of the loss for the year the stock options are deemed anti-dilutive.

	<u>Group</u>	
	<u>2025</u> '000	<u>2024</u> '000
Stock options	<u>4,857</u>	<u>4,924</u>

Details of share options that could potentially dilute earnings per share in future periods are set out in Note 22 to the financial statements.

VERDE AGRITECH LTD.**12. Property, plant and equipment**

<u>Group</u>	<u>Land and buildings</u> CAD\$'000	<u>Plant and equipment</u> CAD\$'000	<u>Computer equipment</u> CAD\$'000	<u>Furniture and fixtures</u> CAD\$'000	<u>Other assets</u> CAD\$'000	<u>Total</u> CAD\$'000
<u>Cost:</u>						
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)	(126)	(22)	(32)	(7,895)
At 31 December 2024	17,789	27,399	721	129	850	46,888
Additions	10	68	12	-	168	258
Disposals	-	-	(13)	-	(446)	(459)
Effect of movements in foreign exchange	1,338	2,060	51	10	52	3,511
At 31 December 2025	19,137	29,527	771	139	624	50,198
<u>Accumulated depreciation:</u>						
At 1 January 2024	-	4,366	238	138	-	4,742
Depreciation for the year	507	2,331	141	10	-	2,989
Transfers	937	(966)	107	(78)	-	-
Disposals	-	-	(14)	-	-	(14)
Effect of movements in foreign exchange	(136)	(498)	(51)	(8)	-	(693)
At 31 December 2024	1,308	5,233	421	62	-	7,024
Depreciation for the year	545	2,509	147	10	-	3,211
Disposals	-	-	(12)	-	-	(12)
Effect of movements in foreign exchange	99	397	30	4	-	530
At 31 December 2025	1,952	8,137	586	76	-	10,753
<u>Carrying value:</u>						
At 1 January 2024	29,165	18,970	613	261	192	49,201
At 31 December 2024	16,481	22,166	300	67	850	39,864
At 31 December 2025	17,185	21,389	185	62	624	39,445

VERDE AGRITECH LTD.

12. Property, plant and equipment

The annual rates of depreciation are as follows:

Land and building	-	0 to 10%
Plant and equipment	-	4% to 10%
Computer equipment	-	20%
Furniture and fixtures	-	10%

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

13. Right-of-use assets

	<u>Group</u> CAD\$'000
<u>Cost:</u>	
At 1 January 2024	67
Additions	4
Effect of movements in foreign exchange	(10)
At 31 December 2024	61
Effect of movements in foreign exchange	4
Write-off	(65)
At 31 December 2025	-
<u>Accumulated amortisation:</u>	
At 1 January 2024	15
Amortisation charge for the year	14
Effect of movements in foreign exchange	(2)
At 31 December 2024	27
Effect of movements in foreign exchange	3
Write off	(30)
At 31 December 2025	-
<u>Carrying value:</u>	
At 1 January 2024	52
At 31 December 2024	34
At 31 December 2025	-

VERDE AGRITECH LTD.

14. Mineral properties

	Group CAD\$'000
<u>Cost:</u>	
At 1 January 2024	19,904
Additions	89
Mine closure provision (Note 23)	32
Write-off of mineral properties	(21)
Effect of movements in foreign exchange	(2,076)
At 31 December 2024	17,928
Additions	211
Mine closure provision (Note 23)	6
Effect of movements in foreign exchange	918
At 31 December 2025	19,063
<u>Accumulated amortisation:</u>	
At 1 January 2024	1,002
Amortisation charge for the year	70
Amortisation reversal – estimate change	(329)
Effect of movements in foreign exchange	(105)
At 31 December 2024	638
Amortisation charge for the year	6
Effect of movements in foreign exchange	45
At 31 December 2025	689
<u>Carrying value:</u>	
At 1 January 2024	18,902
At 31 December 2024	17,290
At 31 December 2025	18,374

Consideration of impairment for the mineral property costs

The Directors assessed that there are indicators of impairment in respect of mineral property cost, property plant and equipment and right-of-use assets. See Note 2B.. A 5 year discounted cashflow forecast had been prepared and no impairment charge against in-production mining assets has been recorded. In order to conclude this, the Directors have considered internal and external sources of information, including the market capitalisation of the Company when compared to its net assets.

15. Other non-financial assets

	Group	
	<u>2025</u> CAD\$'000	<u>2024</u> CAD\$'000
Long-term receivables	<u>396</u>	<u>367</u>

Long-term receivables comprise judicial deposits.

VERDE AGRITECH LTD.

16. Investments in subsidiaries

	<u>Company</u>	
	<u>2025</u> CAD\$'000	<u>2024</u> CAD\$'000
Unquoted shares	4,910	4,910
Amounts due from subsidiaries	42,639	42,766
Total investment in subsidiaries	<u>47,549</u>	<u>47,676</u>

Amounts due from subsidiaries are determined to be non-interest bearing, unsecured and have no repayment terms. The amounts due from subsidiaries are treated as investment in subsidiaries.

The listing of and information on the subsidiaries is given below:

<u>Name of subsidiaries, country of incorporation, place of operations and principal activities and independent auditor</u>	<u>Costs in books of company</u>		<u>Effective percentage of equity held by company</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	CAD\$'000	CAD\$'000	%	%
Verde Fertilizantes Ltda ^(a) Production and sale of fertilizer (Brazil)	42,094	42,221	100	100
FVS Mineração Ltda ^(a) Mineral extraction (Brazil)	5,455	5,455	100	100
Oby Rare Earths Pty Ltd ^{(a) (b)} Mineral extraction (Australia)	-	-(b)	-	100
	<u>47,549</u>	<u>47,676</u>		

(a) Audited by RSM International network firms of which RSM SG Assurance LLP in Singapore is a member.

(b) Paid up share capital is less than CAD\$1,000.

17. Inventories

	<u>Group</u>	
	<u>2025</u> CAD\$'000	<u>2024</u> CAD\$'000
Finished goods and goods for resale	224	481
Packaging	92	223
Stockpile ore	208	116
Others	852	889
Total	<u>1,376</u>	<u>1,709</u>
Inventories recognised as an expense in cost of sales (Note 7)	<u>7,703</u>	<u>9,350</u>

There are no inventories pledged as securities for liabilities.

VERDE AGRITECH LTD.**18. Trade and other receivables**

	<u>Group</u>		<u>Company</u>	
	<u>2025</u> CAD\$'000	<u>2024</u> CAD\$'000	<u>2025</u> CAD\$'000	<u>2024</u> CAD\$'000
Trade receivables	9,054	9,749	36	37
Expected credit losses	(4,794)	(3,617)	-	-
Other receivables	1,051	732	90	120
Total trade and other receivables	5,311	6,864	126	157

Movement in expected credit losses is as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2025</u> CAD\$'000	<u>2024</u> CAD\$'000	<u>2025</u> CAD\$'000	<u>2024</u> CAD\$'000
At the beginning of the year	3,617	1,754	-	-
Charge for the year	920	2,120	-	-
Write-offs of receivables	(15)	-	-	-
Effect of movements in foreign exchange	272	(257)	-	-
At end of year	4,794	3,617	-	-

The expected credit losses are calculated based on the analysis of the aging list, provisioning long-standing items, but also considering assessed probable losses, the amount of which is deemed sufficient by the Directors to cover potential losses in the realisation of accounts receivable, based on loss history. The receivables from customers are composed as follows by maturity:

	<u>Gross amount</u>		<u>Loss allowance</u>	
	<u>2025</u> CAD\$'000	<u>2024</u> CAD\$'000	<u>2025</u> CAD\$'000	<u>2024</u> CAD\$'000
Credit risk graded individually	4,794	3,617	4,794	3,617
Within due date	3,181	4,770	-	-
1 to 30 days past due	26	7	-	-
31 to 60 days past due	7	15	-	-
61 to 90 days past due	7	25	-	-
91 to 120 days past due	191	5	-	-
Over 120 days past due	848	1,310	-	-
Total	9,054	9,749	4,794	3,617

19. Cash and cash equivalents

	<u>Group</u>		<u>Company</u>	
	<u>2025</u> CAD\$'000	<u>2024</u> CAD\$'000	<u>2025</u> CAD\$'000	<u>2024</u> CAD\$'000
Cash at bank and in hand	2,985	3,476	283	242
Total	2,985	3,476	283	242

VERDE AGRITECH LTD.**19. Cash and cash equivalents**

Cash and cash equivalents by currency is as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2025</u> CAD\$'000	<u>2024</u> CAD\$'000	<u>2025</u> CAD\$'000	<u>2024</u> CAD\$'000
Canadian Dollars ("CAD")	246	222	246	222
Brazilian Reals ("BRL")	2,701	3,234	-	-
American Dollars ("USD")	25	7	25	7
Singapore Dollars ("SGD")	13	13	12	13
Total	<u>2,985</u>	<u>3,476</u>	<u>283</u>	<u>242</u>

19A. Reconciliation of liabilities arising from financing activities*Loans and borrowings*

	<u>Group</u>	
	<u>2025</u> CAD\$'000	<u>2024</u> CAD\$'000
Balance at the beginning of the year	39,709	46,146
Additions	-	2,361
Payments of principal	(62)	(5,462)
Payments of interest	(385)	(1,078)
Accrued interest	5,062	4,274
Effect of movements in foreign exchange	103	(6,754)
Other	2,991	222
Balance at the end of the year (Note 24)	<u>47,418</u>	<u>39,709</u>

Lease liabilities

	<u>Group</u>	
	<u>2025</u> CAD\$'000	<u>2024</u> CAD\$'000
Balance at the beginning of the year	41	56
Additions	-	4
Write-off of right-of-use assets	(42)	-
Payments	-	(19)
Accrued interest	-	8
Other	-	(8)
Effect of movements in foreign exchange	1	-
Balance at the end of the year (Note 25)	<u>-</u>	<u>41</u>

20. Share capital

<u>Group and Company</u>	<u>Number of shares issued</u>	<u>Share capital CAD\$'000</u>
Ordinary shares of no par value:		
At beginning of the year 1 January 2025	52,669,724	20,652
Issuance of ordinary shares	24,000	12
At the end of the year 31 December 2025	<u>52,693,724</u>	<u>20,664</u>

VERDE AGRITECH LTD.**20. Share capital**

The Group's objectives when managing capital are to safeguard the entity's ability to continue as a going concern so that it can continue to increase the value of the entity for the benefit of shareholders. Given the nature of the Group's current activities the entity will remain dependent on equity funding in the short to medium term until such time as the Group becomes self-financing from the commercial production of mineral resources.

The management monitors the capital on the basis of the debt-to-capital ratio. This ratio is calculated as net debt / capital (as shown below). Net debt is calculated as total borrowings less cash and cash equivalents.

	<u>Group</u>	
	<u>2025</u>	<u>2024</u>
	CAD\$'000	CAD\$'000
Net debt:		
All current and non-current borrowings (Note 24)	47,418	39,709
All current and non-current leases (Note 25)	-	41
Less: cash and cash equivalents (Note 19)	<u>(2,985)</u>	<u>(3,476)</u>
Net debt	<u>44,433</u>	<u>36,274</u>
Total equity	<u>20,783</u>	<u>30,335</u>
Debt-to-equity ratio	<u>214%</u>	<u>120%</u>

The unfavourable change in gearing as shown by the increase in the debt-to-capital ratio for the reporting year resulted primarily from increase in accumulated losses for the reporting year.

21. Reserves**21A. Capital contribution**

Capital contribution pertained to the share premium which the shareholders of the Company previously paid when acquiring the shares of Verde Agritech Limited (registered in England and Wales), representing the aggregate amount of the premium over and above the par value of the shares of CAD\$0.3918 per share previously recognised.

21B. Merger reserve

The merger reserve arose from the acquisition of GB01N Limited by Verde Agritech Plc in a prior period. As Verde Agritech Plc was a newly incorporated entity which acquired a group by way of issue of shares to the existing shareholders of GB01N Limited, the transaction was not a business combination within the meaning of SFRS(I). The transaction was effectively treated as a group reorganisation and the consolidated financial statements are presented in a way that reflects the continuation of the GB01N Limited resulting in the creation of a merger reserve.

21C. Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of group entities which have a different functional currency from the presentation currency. Exchange differences arising are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised in the income statement in the period of disposal of the operation.

VERDE AGRITECH LTD.**22. Share-based payments**

During the reporting year, 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:

	<u>2025</u>		<u>2024</u>	
	<u>Weighted average exercise price</u>	<u>Number of options</u>	<u>Weighted average exercise price</u>	<u>Number of options</u>
Outstanding at the beginning of the year	\$1.42	4,923,985	\$1.09	2,732,619
Granted during the year	\$0.73	300,000	\$1.10	3,010,548
Exercised during the year	\$0.49	(24,000)	-	-
Cancelled / Forfeited during the year	\$1.57	(342,911)	\$1.52	(819,182)
Outstanding at the end of the year	<u>\$1.32</u>	<u>4,857,074</u>	<u>\$1.42</u>	<u>4,923,985</u>
Exercisable at the end of the year	<u>\$0.76</u>	<u>3,825,176</u>	<u>\$0.71</u>	<u>3,479,184</u>

The options outstanding at 31 December 2025 have an exercise price in the range of \$0.40 to \$7.76 (2024: of \$0.40 to \$7.76) and a weighted average remaining contractual life of 6.7 years (2024: 7.3 years). Three option awards were granted in 2025. The option awards vest in varying tranches:

<u>Issue date</u>	<u>Vesting period</u>
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
November 2025	10% on issue, followed by 10% years one to four and final 50% in year five

At 31 December 2025, 3,825,176 of the options had vested (2024: 3,479,184).

	<u>2025</u>	<u>2024</u>
Fair value of share options and assumptions		
Weighted average fair value of options granted during the year	\$0.51	\$0.70
Weighted average share price	\$0.73	\$1.10
Weighted average exercise price	\$0.73	\$1.10
Expected volatility (expressed as weighted average volatility used in the modelling under Black-Scholes model)	111%	100%
Option life	3	3
Risk-free interest rate (based on national government bonds)	<u>2.83%</u>	<u>3.38%</u>

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 is no market conditions associated with the share option grants.

During the reporting year, total expense recognised as employee costs amounted to CAD\$280,000 (2024: CAD\$2,133,000).

VERDE AGRITECH LTD.**22. Share-based payments**

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

<u>Outstanding at beginning of period</u>	<u>Granted</u>	<u>Forfeited</u>	<u>Exercise</u>	<u>Outstanding at end of period</u>	<u>Exercisable at end of period</u>	<u>Exercise price (\$)</u>	<u>Grant date</u>	<u>Expiry date</u>
131	-	-	-	131	131	\$0.61	24 Sep 2018	24 Sept 2028
65,000	-	(20,000)	(10,000)	35,000	35,000	\$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)	-	10,000	10,000	\$0.67	1 Sept 2019	1 Sept 2029
24,684	-	-	(14,000)	10,684	10,684	\$0.40	25 Mar 2020	25 Mar 2030
21,683	-	(10,000)	-	11,683	5,842	\$1.22	5 Mar 2021	5 Mar 2031
750,000	-	-	-	750,000	750,000	\$1.22	5 Mar 2021	5 Mar 2031
15,061	-	(8,816)	-	6,245	4,409	\$1.21	10 May 2021	10 May 2031
13,662	-	(6,000)	-	7,662	3,065	\$7.76	16 Mar 2022	16 Mar 2032
3,000	-	-	-	3,000	1,200	\$7.11	5 Nov 2022	5 Nov 2032
400	-	(400)	-	-	-	\$6.51	17 Feb 2023	17 Feb 2033
110,500	-	(30,000)	-	80,500	16,800	\$2.23	19 May 2023	19 May 2033
98,452	-	-	-	98,452	65,963	\$2.23	19 May 2023	19 May 2033
736,179	-	-	-	736,179	493,240	\$2.32	15 July 2023	15 July 2033
79,995	-	(79,995)	-	-	-	\$3.13	28 Aug 2023	28 Aug 2033
81,000	-	(11,000)	-	70,000	14,000	\$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	55,852	\$0.74	17 May 2024	17 May 2034
474,700	-	(55,700)	-	419,000	87,000	\$0.80	19 June 2024	19 June 2034
100,000	-	-	-	100,000	55,000	\$0.83	27 June 2024	27 June 2034
15,000	-	(10,000)	-	5,000	1,000	\$0.71	12 Aug 2024	12 Aug 2034
20,000	-	-	-	20,000	4,000	\$0.63	12 Dec 2024	12 Dec 2034
-	100,000	(100,000)	-	-	-	\$0.65	24 Mar 2025	24 Mar 2035
-	85,000	-	-	85,000	8,500	\$0.48	13 Aug 2025	13 Aug 2035
-	115,000	-	-	115,000	11,500	\$0.99	19 Nov 2025	19 Nov 2035
4,923,985	300,000	(342,911)	(24,000)	4,857,074	3,825,176			

VERDE AGRITECH LTD.**22. Share-based payments**

Details of share options outstanding at 31 December 2024 were as follows:

<u>Outstanding at beginning of period</u>	<u>Granted</u>	<u>Forfeited</u>	<u>Exercise</u>	<u>Outstanding at end of period</u>	<u>Exercisable at end of period</u>	<u>Exercise price (\$)</u>	<u>Grant date</u>	<u>Expiry date</u>
200,000	-	(200,000)	-	-	-	\$1.02	30 May 2018	30 May 2028
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	-	-	-	21,000	21,000	\$0.67	1 Sept 2019	1 Sept 2029
18,349	-	(18,349)	-	-	-	\$0.40	14 Feb 2020	14 Feb 2030
24,684	-	-	-	24,684	9,342	\$0.40	25 Mar 2020	25 Mar 2030
26,828	-	(5,145)	-	21,683	8,673	\$1.22	5 Mar 2021	5 Mar 2031
750,000	-	-	-	750,000	750,000	\$1.22	5 Mar 2021	5 Mar 2031
30,182	-	(15,121)	-	15,061	6,934	\$1.21	10 May 2021	10 May 2031
26,062	-	(12,400)	-	13,662	4,099	\$7.76	16 Mar 2022	16 Mar 2032
3,000	-	-	-	3,000	900	\$7.11	5 Nov 2022	5 Nov 2032
2,000	-	(1,600)	-	400	400	\$6.51	17 Feb 2023	17 Feb 2033
146,000	-	(35,500)	-	110,500	12,400	\$2.23	19 May 2023	19 May 2033
184,311	-	(85,859)	-	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
124,436	-	(44,441)	-	79,995	15,999	\$3.13	28 Aug 2023	28 Aug 2033
82,467	-	(82,467)	-	-	-	\$1.64	2 Oct 2023	2 Oct 2033
-	345,000	(264,000)	-	81,000	9,000	\$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	22,341	\$0.74	17 May 2024	17 May 2034
-	529,000	(54,300)	-	474,700	51,700	\$0.80	19 June 2024	19 June 2034
-	100,000	-	-	100,000	22,000	\$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
2,732,619	3,010,548	(819,182)	-	4,923,985	3,479,184			

VERDE AGRITECH LTD.**23. Provisions**

	<u>Group</u>	
	<u>2025</u> CAD\$'000	<u>2024</u> CAD\$'000
Provisions, non-current		
Mine closure provision (Note 23A)	126	112
Labour contingencies provision (Note 23B)	2	43
Total	<u>128</u>	<u>155</u>

23A. Mining closure provision

The movement for mine closure provision is as follows:

	<u>Group</u>	
	<u>2025</u> CAD\$'000	<u>2024</u> CAD\$'000
Balance at the beginning of the year	112	92
Additions (Note 14)	6	32
Effect of movements in foreign exchange	8	(12)
Balance at the end of the year	<u>126</u>	<u>112</u>

The provision represents the present value of costs relating to current damaged area of the mine, which are expected to be incurred up to 2055, which is the following year after the producing of the current open pit mine are is expected to cease operations.

The provision has been based on the Group's internal estimates. Assumptions based on the current economic environment have been made, which the Directors believe are a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to take into account any material changes to the assumptions. However, actual costs will ultimately depend upon future market prices for the necessary rehabilitation works required that will reflect market conditions at the relevant time.

Furthermore, the timing of rehabilitation is likely to depend on when the mine ceases to produce at economically viable rates. This, in turn, will depend upon future prices, which are inherently uncertain.

23B. Labour contingencies provision

The movements for labour contingencies provision are as follows:

	<u>Group</u>	
	<u>2025</u> CAD\$'000	<u>2024</u> CAD\$'000
Balance at the beginning of the year	43	55
Additions	-	27
Disposals	(46)	(30)
Effect of movements in foreign exchange	5	(9)
Balance at the end of the year	<u>2</u>	<u>43</u>

VERDE AGRITECH LTD.

24. Interest-bearing loans and borrowings

	<u>Group</u>	
	<u>2025</u> CAD\$'000	<u>2024</u> CAD\$'000
Current bank loans	5,421	265
Non-current bank loans	41,997	39,444
Total	<u>47,418</u>	<u>39,709</u>

Interest-bearing loans and borrowings are denominated in BRL.

Maturity profile of the bank loans are as follows:

	<u>2025</u>			<u>2024</u>		
	Less than one year <u>2025</u> CAD\$'000	2 – 4 years CAD\$'000	Greater than 4 years CAD\$'000	Less than one year CAD\$'000	2 – 4 years CAD\$'000	Greater than 4 years CAD\$'000
Bank loans	<u>5,421</u>	<u>21,678</u>	<u>20,319</u>	<u>265</u>	<u>14,125</u>	<u>25,319</u>

In October 2024, the Group renegotiated its bank debts as part of an out-of-court recovery plan. The agreement included an 18-month grace period for principal payments and a 6-month grace period for interest payments, effective from the official start date of the agreement. Debt repayments were structured over a 108-month term, commencing after the grace period.

The repayment schedule established that the Group will repay 10% of the debt during the first three years following the grace period, 30% between the fourth and sixth years, and the remaining 60% over the final three years. For interest payments, the Group will make fixed monthly payments of R\$100,000 between the sixth and eighteenth months from the start date. After this period, interest rates will be adjusted to CDI + 1.25% for the first three years, increasing to CDI + 2.5% thereafter.

This renegotiation has resulted in a substantial reduction of short-term debt obligations, as reflected in the updated maturity profile. The plan aims to strengthen the Company's cash flow and ensure better financial management throughout the judicial recovery process.

VERDE AGRITECH LTD.

24. Interest-bearing loans and borrowings

Interest-bearing loans and borrowings – Summary of Interest-bearing loans and borrowings

<u>Purpose</u>	<u>Balance at 31 December 2025 CAD\$'000</u>	<u>Balance at 31 December 2024 CAD\$'000</u>	<u>Repayable by</u>	<u>Total interest payable*</u>
Working capital ^(a)	43,803	36,822	Sep, 2034	CDI ⁽¹⁾ +2.0%
Working capital	2,276	2,098	Sep, 2034	TR ⁽²⁾
Fixed asset acquisition ^(b)	463	450	Oct, 2029	CDI ⁽¹⁾ +2.0%
Fixed asset acquisition ^(b)	966	519	Sep, 2034	CDI ⁽¹⁾ +2.0%
Transaction costs	(90)	(180)	Apr, 2028	
Total	47,418	39,709		

1) – CDI, (from Portuguese “*Certificado de Depósito Interbancário*”) is the average of interbank overnight rates in Brazil. As at December 31, 2025, the 12 months cumulative rate was 14.33%.

2)– Taxa Referencial (TR), currently at around 1.97% per year.

Bank loans are secured as follows:

Indicator ^(a) – Plant / Factory

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

25. Lease liabilities

Lease liabilities are presented in the statements of financial position as follows:

	<u>2025 CAD\$'000</u>	<u>Group 2024 CAD\$'000</u>
Lease liabilities, current	-	17
Lease liabilities, non-current	-	24
Total	-	41

Total cash outflows from leases are shown in the consolidated statement of cash flows. The right-of-use assets are disclosed in Note 13.

VERDE AGRITECH LTD.

26. Trade and other payables

	<u>Group</u>		<u>Company</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	CAD\$'000	CAD\$'000	CAD\$'000	CAD\$'000
<u>Trade payables:</u>				
Trade payables	300	464	77	-
Customer advances	215	150	-	-
Loan payable to a subsidiary	-	-	290	444
Trade payables – subtotal	<u>515</u>	<u>614</u>	<u>367</u>	<u>444</u>
<u>Other payables:</u>				
Income tax payables	3	4	-	-
Other payables	769	695	151	255
Accruals	861	427	103	22
Other payables – subtotal	<u>1,633</u>	<u>1,126</u>	<u>254</u>	<u>277</u>
Total trade and other payables	<u>2,148</u>	<u>1,740</u>	<u>621</u>	<u>721</u>

The customer advances are expected to be recognised as revenue within a year.

27. Derivatives financial instruments

Presented in the statements of financial position as follows:

	<u>Group</u>	
	<u>2025</u>	<u>2024</u>
	CAD\$'000	CAD\$'000
Financial liabilities – derivatives, current (Note 28A)	<u>5</u>	<u>37</u>

27A. Financial liabilities – derivatives and at FVTPL

	<u>Group</u>	
	<u>2025</u>	<u>2024</u>
	CAD\$'000	CAD\$'000
Derivatives – swap contracts	<u>5</u>	<u>37</u>

VERDE AGRITECH LTD.**28. Financial instruments: information on financial risks and other explanatory information****28A. Categories of financial assets and financial liabilities**

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting year.

	<u>Group</u>	
	<u>2025</u> CAD\$'000	<u>2024</u> CAD\$'000
<u>Financial assets</u>		
Financial assets at amortised cost	8,296	10,340
At end of year	<u>8,296</u>	<u>10,340</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost	(49,694)	(41,527)
Financial liabilities at fair value through profit or loss (FVTPL) – designated upon initial recognition	(5)	(37)
At end of year	<u>(49,699)</u>	<u>(41,490)</u>

Further quantitative disclosures are included throughout these financial statements.

28B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. Management has certain procedures for the management of financial risks. However, the following guidelines are followed: All financial risk management activities are carried out and monitored by senior management staff. All financial risk management activities are carried out following acceptable market practices.

There have been no changes to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

VERDE AGRITECH LTD.**28. Financial instruments: information on financial risks and other explanatory information****28C. Credit risk on financial assets**

Financial assets subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner arise principally from cash balances with banks, receivables and other financial assets. The general approach in the financial reporting standard on financial instruments is applied to measure expected credit losses “(ECL)” allowance on financial assets measured at amortised cost. On initial recognition, a loss allowance is recorded equal to the 12 month ECL unless the assets are considered credit impaired. The ECL allowance for debt assets is recognised at an amount equal to the lifetime ECL if the credit risk on that financial instrument has increased significantly since initial recognition. However, for trade receivables that do not contain a material financing component or when the reporting entity applies the practical expedient of not adjusting the effect of a material financing component, the simplified approach in calculating ECL is applied. Under the simplified approach, the loss allowance is recognised at an amount equal to lifetime ECL at each reporting date using historical loss rates for the respective risk categories and incorporating forward-looking estimates. Lifetime ECL may be estimated individually or collectively. For the credit risk on the financial assets an ongoing credit evaluation is performed on the financial condition of the debtors and any loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

Note 19 discloses the cash balances. There was no identified impairment loss.

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.

The Group's cash is held in major Canadian and Brazilian banks, and as such the Group is exposed to the risks of those financial institutions. Under Standard & Poor's short term credit ratings, the Group's cash balance is held in institutions with the following ratings:

	<u>2025</u> CAD\$'000	<u>2024</u> CAD\$'000
AAA	2,694	2,901
A-1 +	284	242
B	7	213
BB-	-	-
Not rated	-	120
Total	<u>2,985</u>	<u>3,476</u>

VERDE AGRITECH LTD.

28. Financial instruments: information on financial risks and other explanatory information

28D. 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. Refer to Note 19.

The Brazilian Real deposits are held as interbank deposit certificates, with no maturity date and track Brazil's short-term interest rate ("SELIC"), which was 15.00% (2024: 12.25%) at 31 December 2025.

The foreign exchange impact is not expected to be material to the financial statements.

The Group entered into cross-currency interest rate swaps in order to mitigate the foreign exchange exposure related to a loan denominated in US Dollar, entered into during the reporting year. The swap agreements are comprised of derivative assets to swap the foreign exchange exposure (US Dollar to Brazilian real) and derivative liabilities for the interest rate swap (16.15% p.y. to 4.85% + CDI 13.25% p.y. to 3.65% + CDI, 11.10% p.y. to 3.46% + CDI and U\$ 5.05, 4.85% + CDI p.y. to 7.89% + CDI and U\$ 5.12). The last swap agreements have maturities on July 2026. The table below summarises the notional and fair value amounts of the swap agreements.

	<u>Group</u>	
	<u>2025</u>	<u>2024</u>
	CAD\$'000	CAD\$'000
Liability position Votorantim: CDI + 7.89% p.y.	(40)	(37)
Net position – liabilities	<u>(40)</u>	<u>(37)</u>

VERDE AGRITECH LTD.**28. Financial instruments: information on financial risks and other explanatory information****28E. 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 and this is disclosed in Note 24. Further details of the liquidity position are explained in Note 1 regarding going concern.

28F. 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% per annum (2024: 16.20%). The Brazilian Government long term bond rate as at 31 December 2025 was 15.00% (2024: 12.25%). Based on Brazilian Central Bank perspectives for long term bond rate, the Directors does not expect that it is reasonably possible that a significant increase in interest rate is expected for the foreseeable future.

Contingent Assets and Liabilities

As at 31 December 2025, the Group is involved in various litigation matters and based on legal advice obtained, the directors believe that it is not probable that the litigation matters will result in an outflow or inflow of economic resources. As the outcome of the case cannot be determined with certainty at this stage, the litigation matters are not disclosed as a contingent liabilities or contingent assets in the financial statements.

No provision has been recognised in the financial statements in respect of these litigation matters.

30. Events after the end of the reporting year

On 2 January 2026, the Group updated the brand name of its flagship multi-nutrient potassium fertilizer previously marketed in Brazil as K Forte® to KAAPY®. The change relates solely to branding and commercial presentation and did not affect the formulation, production process or commercial terms of the product. Unless otherwise indicated, references in this Annual Information Form to K Forte® refer to the product currently marketed as KAAPY®.

On 2 February 2026, the Company incorporated two private limited subsidiaries in Singapore: Minas Magnetics Pte. Ltd. and Global Solvix Solutions Pte. Ltd.. The incorporation of these entities is part of the Company's strategic expansion plan, whereby Minas Magnetics Pte. Ltd. will focus on activities related to the rare earths business, while Global Solvix Solutions Pte. Ltd. will be dedicated to the fertilizer segment.

On 2 March 2026, the Group announced a brokered private placement of units for gross proceeds of up to CAD 4.5 million. On 12 March 2026, the offering was completed and the Group received the proceeds from the financing. The offering generated gross proceeds of CAD 4.5 million. Net cash proceeds received by the Group were approximately CAD 4.0 million, after deduction of broker commissions, transaction fees and other offering-related costs.

VERDE AGRITECH LTD.

31. Changes and adoption of financial reporting standards

For the current reporting year the ASC issued certain new or revised financial reporting standards. None had material impact on the reporting entity.

<u>SFRS (I) No.</u>	<u>Title</u>
SFRS(I) 1-21	The Effects of Changes in Foreign Exchange Rates (amendment) Lack of Exchangeability

32. New or amended standards in issue but not yet effective

The ASC issued certain new or revised financial reporting standards for the future reporting years. The transfer to the applicable new or revised standards from the effective dates is not expected to result in material modification of the measurement methods or the presentation in the financial statements for the following reporting year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the entity's financial statements in the period of initial application. Those applicable to the reporting entity for future reporting years are listed below.

<u>SFRS (I) No.</u>	<u>Title</u>	<u>Effective date for periods beginning on or after</u>
SFRS(I) 9 and 7	Classification and Measurement of Financial Instruments – Amendments	1 January 2026
Various	Annual Improvements – Volume 11	1 January 2026
SFRS(I) 18	Presentation and Disclosures in Financial Statements	1 January 2027
SFRS(I) 19	Subsidiaries and Small Entities without Public Accountability: Disclosures	1 January 2027
SFRS(I) 10 and SFRS(I) 1-28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

For the current reporting year, the ASC issued certain new or revised financial reporting standards. None had material impact on the reporting entity.