



AGRINAM ACQUISITION CORPORATION

Annual Audited Consolidated Financial Statements
(Presented in United States Dollars)

For the Years Ended March 31, 2025 and 2024

Agriam Acquisition Corporation
Consolidated Statements of Financial Position
(expresses in United States Dollars)

ASSETS

As at March 31	Note	2025	2024
Current			
Cash and cash held in trust		\$ 39,122	\$ 31,202
Income taxes receivable	14	393,425	393,425
Restricted cash held in escrow	5	49,231	1,709,945
Total Assets		\$ 481,778	\$ 2,134,572

LIABILITIES AND SHAREHOLDERS' DEFICIT

LIABILITIES

Current

Accounts payable and accrued liabilities		\$ 3,213,925	\$ 3,484,740
Promissory notes payable	11	800,000	800,000
Due to related parties	12	251,958	2,846
Interest payable	5	4,386	5,046
Class A Restricted Voting Shares subject to redemption	6	19,109	122,258
Warrant liability	7	-	32,624,000
Total Liabilities		4,289,378	37,038,890

Shareholders' Deficit

Share capital	9	24,568	24,568
Contributed surplus	7, 8	8,966,754	8,966,754
Deficit		(12,798,922)	(43,895,640)
Total Shareholders' Deficit		(3,807,600)	(34,904,318)
Total Liabilities and Shareholders' Deficit		\$ 481,778	\$ 2,134,572

Nature of operations and going concern (Note 1)
Subsequent events (Note 17)

Approved by the Board

"[Augustin Tristan Aldave]"

Director

"[Guillermo Eduardo Cruz]"

Director

The accompanying notes are an integral part of the Financial Statements.

Agrinam Acquisition Corporation

Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

(expressed in United States Dollars)

For the years ended March 31	Note	2025	2024
Income			
Interest income	5	\$ 30,765	4,306,397
		30,765	4,306,397
Expenses			
Accretion on Class A Restricted Voting Shares	6	8,844	7,215,679
Unrealized loss (gain) on change in fair value of warrant liability	7	(32,624,000)	22,908,500
Gain on debt modification	6	(3,851)	(1,201,271)
General and administrative expenses	13	1,489,217	4,091,552
Bank service fees		2,085	2,015
Interest expense, net	5	30,323	4,037,490
Foreign exchange loss		31,429	6,563
		(31,065,953)	37,060,528
Net income (loss) before income taxes			
		31,096,718	(32,754,131)
Current income tax recovery	14	-	(393,425)
Net income (loss) and comprehensive income (loss) for the year			
		\$ 31,096,718	(32,360,706)
Earnings (loss) per share			
Basic and diluted		9.01	(9.38)
Weighted average number of Class B Shares outstanding:			
Basic and diluted		3,450,000	3,450,000

The accompanying notes are an integral part of the Financial Statements.

Agriam Acquisition Corporation
Consolidated Statements of Changes in Shareholders' Deficit
(expressed in United States Dollars)

	Number of Shares	Share Capital	Contributed Surplus	Deficit	Total
Balance at March 31, 2023	3,450,000	\$ 24,568	\$ 8,966,754	\$ (11,534,934)	\$ (2,543,612)
Net loss and comprehensive loss for the period	-	-	-	(32,360,706)	(32,360,706)
Balance at March 31, 2024	3,450,000	\$ 24,568	\$ 8,966,754	\$ (43,895,640)	\$ (34,904,318)
Net income and comprehensive income for the period	-	-	-	31,096,718	31,096,718
Balance at March 31, 2025	3,450,000	\$ 24,568	\$ 8,966,754	\$ (12,798,922)	\$ (3,807,600)

The accompanying notes are an integral part of the Financial Statements

Agrinam Acquisition Corporation
Consolidated Statements of Cash Flows
(expresses in United States Dollars)

For the years ended March 31	Note	2025	2024
Operating activities			
Net income (loss) for the year		\$ 31,096,718	\$ (32,360,706)
Adjustments for:			
Accretion on Class A Restricted Voting Shares	6	8,844	7,215,679
Unrealized loss (gain) on change in fair value of warrant liability	7	(32,624,000)	22,908,500
Gain on debt modification	6	(3,851)	(1,201,271)
Change in non-cash working capital			
Prepaid expenses		-	338,013
Income taxes receivable		-	(786,850)
Accounts payable and accrued liabilities		(270,815)	3,275,869
Due to related parties	12	249,112	188
Interest payable	5	30,323	4,037,490
Cash generated from (used in) operating activities		(1,513,669)	3,426,912
Investing activities			
Cash held in escrow		1,691,479	148,128,127
Interest income earned on restricted cash held in escrow	5	(30,765)	(4,306,397)
Cash generated from investing activities		1,660,714	143,821,730
Financing activities			
Issuance of promissory note	11	-	800,000
Redemption of Class A Restricted Voting Shares	6	(139,125)	(148,520,732)
Cash used in financing activities		(139,125)	(147,720,732)
Net increase (decrease) in cash and cash held in trust		7,920	(472,090)
Cash and cash held in trust, beginning of year		31,202	503,292
Cash and cash held in trust, end of year		\$ 39,122	\$ 31,202

The accompanying notes are an integral part of the Financial Statements

Agrinam Acquisition Corporation

Notes to the Annual Audited Consolidated Financial Statements

For the years ended March 31, 2025 and 2024

(Expressed in United States dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Agrinam Acquisition Corporation (the “**Corporation**” or “**Agrinam**”) is a special purpose acquisition corporation which was incorporated for the purpose of effecting, directly or indirectly, an acquisition of one or more businesses or assets, by way of a merger, amalgamation, arrangement, share exchange, asset acquisition, share purchase, reorganization, or any other similar business combination involving the Corporation (a “**Qualifying Acquisition**”). Until such time that a Qualifying Acquisition is completed, the Corporation will have no significant revenue and will incur expenses primarily for Qualifying Acquisition investigation, filing requirements, professional services, and administrative support subject to certain restrictions.

The Corporation was incorporated on December 1, 2021 under the *Business Corporations Act* (British Columbia). The Corporation’s head office is located at Homero 109, Polanco, Polanco V Secc, Miguel Hidalgo, Ciudad de México, CDMZ 11560 and its registered office is located at 1200 Waterfront Centre, 200 Burrard St, P.O Box 48600, Vancouver, BC V7X 1T2.

The Annual Audited Consolidated Financial Statements of the Corporation for the years ended March 31, 2025 and 2024 (the “**Financial Statements**”) have been prepared on the basis of accounting principles applicable to a going concern, which assumes the Corporation will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. The Corporation is in the process of completing a Qualifying Acquisition and, as such, does not have any sources of cash inflows, other than from interest income, its Sponsor (as defined below), or obtaining additional financing. As of March 31, 2025, the Corporation had a deficit of \$12,798,922 (March 31, 2024 - \$43,895,640) and a working capital deficit of \$3,807,600 (March 31, 2024 - \$34,904,318) which includes the Corporation’s warrant liability of \$nil as at March 31, 2025 (March 31, 2024 - \$32,624,000). The Corporation’s ability to continue as a going concern is dependent upon the continued support of its Sponsor and the completion of a Qualifying Acquisition. There is no assurance that the Sponsor and/or lenders will provide continued support and that the Corporation will be successful in completing a Qualifying Acquisition. Additional details regarding the Corporation’s status are discussed in Note 17.

These conditions indicate a material uncertainty that may cast significant doubt as to the Corporation’s ability to continue as a going concern. The Financial Statements do not reflect any adjustments to the carrying values of assets and liabilities and the reported income, expenses and statement of financial position classifications that would be necessary should the going concern assumption be inappropriate. If the Corporation is unable to continue as a going concern, the Corporation may be required to realize its assets and discharge its liabilities in other than the normal course of business at amounts that are different from those reflected in these financial statements. Such adjustments could be material.

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Significant Events

On June 15, 2022, the Corporation closed its initial public offering (the “**Offering**”) of 13,800,000 Class A restricted voting units (the “**Class A Restricted Voting Units**”) (including 1,800,000 Class A Restricted Voting Units issued pursuant to the exercise in full of the over-allotment option granted to the underwriters for the Offering (the “**Underwriters**”)) at an offering price of \$10.00 per Class A Restricted Voting Unit for gross proceeds of \$138,000,000 pursuant to the final prospectus of the Corporation dated June 10, 2022 (the “**Prospectus**”). The Class A Restricted Voting Units commenced trading on the Toronto Stock Exchange (“**TSX**” or the “**Exchange**”) on an “if, as and when issued” basis on June 13, 2022 under the symbol “AGRI. V”.

Concurrently with the closing of the Offering, Agrinam Investments, LLC (the “**Sponsor**”), and certain of the Sponsor’s and the Corporation’s affiliates, directors and officers, including Agustin Tristan Aldave, Gustavo Castellanos Lugo, Luis Alberto Ibarra Pardo, Luis Pedraza Trejo, Guillermo Eduardo Cruz, Jeronimo Peralta del Valle, Nicholas Thadaney, Lara Zink, Jennifer Reynolds, and Donald Olds (or persons or companies controlled by them) (referred to collectively, with the Sponsor, as the “**Founders**”) purchased an aggregate of 8,710,000 share purchase warrants (the “**Funding Warrants**”) at an offering price of \$1.00 per Funding Warrant for an aggregate purchase price of \$8,710,000. The Funding Warrants are generally subject to the same terms and conditions as the Class A Warrants underlying the Class A Restricted Voting Units (as described below).

Prior to the closing of the Offering, the Founders also purchased an aggregate of 3,450,000 Class B shares (each, a “**Class B Share**” and also referred to as the “**Founders’ Shares**”), for an aggregate price of \$25,000, 64,400 of which were issued as consideration for past services and 3,385,600 issued for approximately \$0.007 per Founders’ Share, and the Sponsor purchased one Class A Restricted Voting Share for a subscription price of \$10.30. The outstanding Founders’ Shares represent 20% of the issued and outstanding shares of the Corporation (including all Class A Restricted Voting Shares and Class B Shares but assuming no exercise of the Warrants (as defined below) or conversion of the Rights (as defined below).

Each Class A Restricted Voting Unit consists of one Class A restricted voting share of the Corporation (the “**Class A Restricted Voting Shares**”), one share purchase warrant of the Corporation (the “**Class A Warrants**” and together with the Funding Warrants, the “**Warrants**”), and one right of the Corporation (the “**Rights**”). On July 25, 2022, the Class A Restricted Voting Shares, the Warrants and Rights comprising the Class A Restricted Voting Units, commenced trading separately on the Exchange under the symbols “AGRI. U”, “AGRI.WT.U” and “AGRI.RT.U”, respectively.

Upon the closing of a Qualifying Acquisition, each Class A Restricted Voting Share (unless previously redeemed) will be automatically converted into one common share of the Corporation (a “**Common Share**”) and each Class B Share of the Corporation will be automatically converted on a 100-for-1 basis into proportionate voting shares of the Corporation (the “**Proportionate Voting Shares**”), as set forth in the notice of articles and articles of the Corporation. The Warrants will become exercisable, at an exercise

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price of \$11.50, commencing 65 days after the completion of a Qualifying Acquisition and will expire at 5:00 p.m. (Toronto time) on the day that is five years after the completion of a Qualifying Acquisition or earlier, as described in the Prospectus. Once the Warrants become exercisable, the Corporation may accelerate the expiry date of the outstanding Warrants (excluding the Funding Warrants, but only to the extent still held by the Founders at the date of public announcement of such acceleration and not transferred prior to the accelerated expiry date) by providing 30 days' notice, if and only if, the closing price of the Common Shares equals or exceeds \$18.00 per Common Share (as adjusted for stock splits or combinations, stock dividends, extraordinary dividends, reorganizations and recapitalizations and the like) for any 20 trading days within a 30-trading day period commencing any time after the Warrants become exercisable in which case the expiry date shall be the date which is 30 days following the date on which such notice is provided.

In November 2022, the Corporation amended the terms of the warrant agency agreement by way of a supplemental warrant indenture (the "**Supplemental Warrant Indenture**") to include an option to enact a cashless exercise feature. Pursuant to the Supplemental Warrant Indenture, the Corporation, may elect, by providing notice at or prior to a Qualifying Acquisition, to allow the Warrants to be exercised on a cashless basis at the option of the registered holder. Upon exercise of any Warrants on a cashless basis, the holder thereof would receive the number of Common Shares equivalent to the quotient obtained by multiplying (a) the number of Common Shares for which the Warrants would be exercised by (b) the difference, if positive, between (i) the volume weighted average price ("**VWAP**") of the Common Shares for the 5 trading days immediately prior to (but not including) the date of exercise of the Warrants and (ii) the exercise price, and dividing such product by the VWAP for the 5 trading days immediately prior to (but not including) the date of exercise. As of March 31, 2025, the Corporation has not elected to allow for the Warrants to be exercised on a cashless basis.

The Rights will become convertible after the completion of the Qualifying Acquisition and will expire null and void if not converted within six months after the completion of the Qualifying Acquisition. Each Right will entitle the holder to receive one-tenth (1/10) of a Class A Restricted Voting Share (which at such time will represent one-tenth (1/10) of a Common Share, subject to adjustments under the terms of the Qualifying Acquisition). The Rights will expire if a Qualifying Acquisition does not occur within the Permitted Timeline (as defined below).

In connection with the Offering, an aggregate amount of \$142,140,010 (representing \$138,000,000 from the sale of the Class A Restricted Voting Units, \$10.30 from the sale of the Class A Restricted Voting Share and an additional \$4,140,000 that was funded by the issuance of a portion of the Funding Warrants) was required to be deposited in an escrow with the TSX Trust Company (the "**Escrow Agent**") in an escrow account ("**Escrow Account**"), with the remaining \$4,595,000 to be used to cover fees related to the closing of the Offering and ongoing costs of the Corporation.

In consideration for their services in connection with the Offering, the Underwriters are entitled to an underwriting commission equal to up to \$7,590,000 or 5.5% of the gross proceeds of the Class A Restricted

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Voting Units sold under the Offering (inclusive of the gross proceeds raised under the Over-Allotment Option) (the “**Gross Proceeds**”). The Corporation paid \$0.15 per Class A Restricted Voting Unit or \$2,070,000 to the Underwriters, in cash, at closing of the Offering, less an amount equal to \$517,500, which was deducted from the underwriting commission to be paid to SVB Securities LLC on behalf of the Sponsor in connection with a consulting and financial advisory services agreement. The balance of the agreed underwriting commission, being \$0.40 per Class A Restricted Voting Unit or \$5,520,000, representing approximately 72% of the underwriting commission (the “**Deferred Commission**”), has been deferred and deposited with the Escrow Agent in the Escrow Account in accordance with an escrow agreement dated June 15, 2022 (the “**Closing Date**”), between the Corporation, the Escrow Agent, and the Underwriters (the “**Escrow Agreement**”). If no Qualifying Acquisition is consummated within 21 months from the Closing Date (or as such timeline may be further extended or shortened, in each case, as described in more detail in the Prospectus) (the “**Permitted Timeline**”), no part of the Deferred Commission will be paid. If the Corporation completes a Qualifying Acquisition, an amount equal to \$1,380,000 will be deducted from the Deferred Commission and paid to SVB Securities LLC, on behalf of the Sponsor in connection with a consulting and financial advisory services agreement. The per share amount that the Corporation will distribute to holders of Class A Restricted Voting Shares who properly redeem their shares will not be reduced by the Deferred Commission that may be paid to the Underwriters (or the portion thereof payable to SVB Securities LLC on behalf of the Sponsor in connection with the consulting and financial advisory services agreement). Due to its association with an uncertain future Qualifying Acquisition, the contingent liability of the Deferred Commission balance has not been recorded in the Financial Statements.

In connection with seeking to complete a Qualifying Acquisition, the Corporation will provide holders of the Class A Restricted Voting Shares with the opportunity to redeem all or a portion of their Class A Restricted Voting Shares. If the Corporation is unable to consummate a Qualifying Acquisition within the Permitted Timeline, as such date of closing may be extended or shortened as described in the Prospectus, the Corporation will be required to redeem each of the outstanding Class A Restricted Voting Shares. The redemption shall be for an amount per share, payable in cash, equal to the pro rata portion (per Class A Restricted Voting Share) of: (i) the escrowed funds available in the Escrow Account, including any interest and other amounts earned thereon, less (ii) an amount equal to the total of (A) any applicable taxes payable by the Corporation on such interest and other amounts earned in the Escrow Account, (B) any taxes of the Corporation (including under Part VI.1 of the *Income Tax Act* (Canada) (the “**Tax Act**”)) arising in connection with the redemption of the Class A Restricted Voting Shares, and (C) up to a maximum of \$50,000 of interest and other amounts earned from the proceeds in the Escrow Account to pay actual and expected winding up expenses and certain other related costs (as described herein), each as reasonably determined by the Corporation. The Corporation may shorten the Permitted Timeline, with the approval of its board of directors of the Corporation, by providing 10 days’ advance notice by way of a news release.

Upon the closing of a Qualifying Acquisition, as noted above: (i) the Class B Shares will convert on a 100-for-1 basis into Proportionate Voting Shares, and (ii) any non-redeemed Class A Restricted Voting Shares will be converted on a one-for-one basis into Common Shares. Prior to the closing of the Qualifying Acquisition, the Corporation will not issue any Common Shares or Proportionate Voting Shares. Following

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the closing of a Qualifying Acquisition, the Corporation will not issue any Class A Restricted Voting Shares or Class B Shares.

The escrowed funds are being held following the closing to enable the Corporation to (i) satisfy redemptions made by holders of Class A Restricted Voting Shares (including in the event of a Qualifying Acquisition or an extension to the Permitted Timeline, or in the event of a Qualifying Acquisition does not occur within the Permitted Timeline), (ii) fund the Qualifying Acquisition with the net proceeds following payment of any such redemptions, and/or (iii) pay taxes on amounts earned on the escrowed funds and certain permitted expenses. Such escrowed funds and all amounts earned thereon, subject to such obligations and applicable law, will be assets of the Corporation. These escrowed funds will also be used to pay the Deferred Commission in the amount of \$5,520,000, less an amount equal to \$1,380,000, which will be deducted from the underwriting commission and paid to SVB Securities LLC on behalf of the Sponsor in connection with a consulting and financial advisory services agreement, which (subject to availability, failing which any shortfall shall be made up from other sources) will be payable by the Corporation to the Underwriters upon the closing of a Qualifying Acquisition.

The Founders will not be entitled to redeem the Founders' Shares or the Funding Warrants in connection with a Qualifying Acquisition or an extension to the Permitted Timeline or be entitled to access the Escrow Account should a Qualifying Acquisition not occur within the Permitted Timeline. The Founders will, however, participate in any liquidation distribution with respect to any Class A Restricted Voting Shares they may acquire in connection with or following this Offering through possible purchases on the secondary market.

On September 14, 2023, the Corporation held a special meeting of holders of Class A Restricted Voting Shares and Class B Shares (the "**Special Meeting**") to vote on a resolution to authorize an amendment to the amended and restated articles of the Corporation dated June 10, 2022 (the "**Amendment to the Articles**"), whereby the definition of "Three-Month Extension Option" contained in Section 28.2 of the articles of the Corporation was proposed to be amended in order to permit the Corporation to deposit an aggregate of \$400,000 in cash into the escrow account instead of \$0.10 per Class A Restricted Voting Share each time the Corporation wishes to exercise a three-month extension option to extend the Permitted Timeline to complete a Qualifying Acquisition. The Amendment to the Articles was approved at the Special Meeting.

In connection the Special Meeting and amendment to the three-month extension option, the Corporation, the Escrow Agent and the Underwriters entered into an amending agreement effective September 14, 2023 (the "**Escrow Amending Agreement**"), to amend the terms of the Escrow Agreement to revise the amount of funds comprising the escrow funds, whereby the Sponsor would be required to fund by way of capital contribution to deposit an additional U.S.\$400,000, in each instance of a three-month extension to the Permitted Timeline. Subsequent to the Special Meeting, the Corporation deposited \$400,000 in cash into the escrow account (the "**Extension Escrow Deposit**") to extend the Permitted Timeline from 15 months up to 18 months, thereby extending its Permitted Timeline to complete a Qualifying Acquisition. Such

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Permitted Timeline, however, could be extended up to 36 months (without the requirement to fund any additional amounts into the Escrow Account) with shareholder approval of only the holders of Class A Restricted Voting Shares by ordinary resolution and with approval by the Corporation's board of directors. If such approvals are obtained, holders of Class A Restricted Voting Shares, irrespective of whether such holders vote for or against, or do not vote on, the extension of the Permitted Timeline, would be permitted to deposit all or a portion of their Class A Restricted Voting Shares for redemption as described in the Prospectus.

On December 15, 2023, the Corporation announced that it exercised its second three-month extension option to extend its Permitted Timeline to complete a Qualifying Acquisition to March 15, 2024, and deposited an additional \$400,000 in cash into the escrow account, bringing the total Extension Escrow Deposit to \$800,000. In order to finance the Extension Escrow Deposit, the Corporation borrowed the principal amount of \$800,000 from the Sponsor, pursuant to promissory notes issued in favour of the Sponsor. See Note 11 of the Financial Statements for further details.

On October 2, 2023, the Corporation incorporated a new wholly owned subsidiary, Agrinam Merger Sub, Inc. ("**Merger Sub**"), under the laws of the State of Delaware, United States.

On March 12, 2024, the Corporation held a second special meeting (the "**Second Special Meeting**") of holders of Class A Restricted Voting Shares to approve an extension of the Permitted Timeline to consummate a Qualifying Acquisition from March 15, 2024 to September 15, 2024.

In connection with the Special Meeting and Second Special Meeting, holders of Class A Restricted Voting Shares were provided with the option to redeem all or a portion of their Class A Restricted Voting Shares. An aggregate of 13,787,609 Class A Restricted Voting Shares (the "**First Redeemed Shares**") were redeemed during the year ended March 31, 2024 (the "**First Redemption**"). A payment of \$10.6686 per Redeemed Share before withholding taxes (the "**Redemption Price**"), was made to the redeeming holders of Class A Restricted Voting Shares, for a total payment of \$120,142,969 on 11,261,363 of the Redeemed Shares, which were redeemed in October 2023. A payment of \$11.2331745 per Redeemed Share before withholding taxes (the "**Second Redemption Price**"), was made to redeeming of Class A Restricted Voting Shares, for a total payment of \$28,377,763 on 2,526,246 of the Redeemed Shares, which were redeemed in March 2024. As part of the redemption of certain Class A Restricted Voting Shares, there was a deemed dividend payment for tax purposes. This arises when the redemption price on the Class A Restricted Voting Share exceeds its paid-up capital. The deemed dividend payment results in Part VI.I tax of \$1,352,351. The Part VI.I tax is deductible against the calculation of taxable income under ITA paragraph 110(1)(k) at 3.5 times the amount of Part VI.I tax paid. There is withholding tax on the deemed dividend payment if the shareholder is a non-resident of Canada at the rate of 25% which may be reduced to 15% under relevant tax treaties.

On September 13, 2024, the Corporation held a third special meeting (the "**Third Special Meeting**") of holders of Class A Restricted Voting Shares to approve an extension of the Permitted Timeline to consummate a Qualifying Acquisition from September 15, 2024 to December 15, 2024. In connection with the Third Special Meeting, holders of Class A Restricted Voting Shares were provided with the option to

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redeem all or a portion of their Class A Restricted Voting Shares; however, no such Class A Restricted Voting Shares were redeemed in connection with the Third Special Meeting.

On December 12, 2024, the Corporation held a fourth special meeting (the “**Fourth Special Meeting**”) of holders of Class A Restricted Voting Shares to approve an extension of the Permitted Timeline to consummate a Qualifying Acquisition from December 15, 2024 to June 15, 2025.

In connection with the Fourth Special Meeting, holders of Class A Restricted Voting Shares were provided with the option to redeem all or a portion of their Class A Restricted Voting Shares. An aggregate of 10,500 Class A Restricted Voting Shares (the “**Second Redeemed Shares**” and together with the First Redeemed Shares, the “**Redeemed Shares**”) were redeemed during the nine months ended December 31, 2024 (the “**Second Redemption**” and together with the First Redemption, the “**Redemptions**”). A payment of \$13.25 per Second Redeemed Shares before withholding taxes (the “**Third Redemption Price**”), was made to the redeeming holders of Class A Restricted Voting Shares, for a total payment of \$139,125. As part of the redemption of certain Class A Restricted Voting Shares, there was a deemed dividend payment for tax purposes, resulting in Part VI.I tax of \$11,550. The Part VI.I tax is deductible against the calculation of taxable income under ITA paragraph 110(1)(k) at 3.5 times the amount of Part VI.I tax paid. There is withholding tax on the deemed dividend payment if the shareholder is a non-resident of Canada at the rate of 25% which may be reduced to 15% under relevant tax treaties.

On March 13, 2025, the Corporation entered into a definitive business combination agreement (the “**Business combination Agreement**”) with Blue Energy and Electricity, S.A. de C.V. (“**Blue Energy**”). Under the terms of the Business Combination Agreement, Blue Energy will merge with the Corporation through a share exchange to become a publicly traded company listed on the TSX, pending regulatory approval (the “**Business Combination**”). Following the completion of the Business Combination, Blue Energy shareholders will maintain control of both the Corporation and Blue Energy. If consummated, it is anticipated that the Business Combination will constitute the Corporation's Qualifying Acquisition. See Note 17 for additional details.

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2. BASIS OF PREPARATION

(a) Statement of Preparation

These Financial Statements have been prepared in accordance with IFRS® Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”).

These Financial Statements have been prepared using the accrual basis of accounting and have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss (“FVTPL”), which are stated at their fair value.

These Financial Statements are presented in United States dollars, which is the Corporation’s functional and presentation currency.

The Board of Directors of the Corporation approved the Financial Statements on June 30, 2025.

(b) Basis of Consolidation

The Financial Statements include the accounts of the Corporation and its wholly owned subsidiaries. Subsidiaries are entities controlled by the Corporation. Subsidiaries are included in the consolidated financial results of the Corporation from the date of acquisition up to the date of disposition or loss of control. All intercompany balances and transactions are eliminated upon consolidation in preparing the Financial Statements. Merger Sub is the only subsidiary of the Corporation, and its functional currency is the U.S. dollar.

3. MATERIAL ACCOUNTING POLICY INFORMATION

(a) Financial Instruments

Financial Assets

Recognition and Initial Measurement

The Corporation recognizes financial assets when it becomes party to the contractual provisions of the instrument. Financial assets are measured initially at their fair value plus, in the case of financial assets not subsequently measured at FVTPL, transaction costs that are directly attributable to their acquisition. Transaction costs of financial assets carried at FVTPL are expensed in the statements of loss and comprehensive loss when incurred.

Classification and Subsequent Measurement

Financial assets are classified and subsequently measured at amortized cost, fair value through other comprehensive income (“FVOCI”), or FVTPL. The Corporation determines the classification of its financial assets, together with any embedded derivatives, based on the business model for managing the

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financial assets and their contractual cash flow characteristics. On initial recognition, the Corporation may irrevocably designate a financial asset to be measured at FVTPL in order to eliminate or significantly reduce an accounting mismatch that would otherwise arise from measuring assets or liabilities, or recognizing the gains and losses on them, on different bases.

Financial assets are classified as follows:

- **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows are solely payments of principal and interest are measured at amortized cost. The Corporation does not hold any financial assets measured at amortized cost.
- **Fair value through other comprehensive income:** Assets that are held for collection of contractual cash flows and for selling the financial assets, and for which the contractual cash flows are solely payments of principal and interest, are measured at FVOCI. Gains and losses associated with financial assets measured at FVOCI are recognized in other comprehensive income (“**OCI**”). Upon derecognition, the cumulative gain or loss previously recognized in OCI is reclassified to profit or loss. The Corporation does not hold any financial assets measured at FVOCI.
- **Fair value through profit and loss:** Assets that do not meet the criteria to be measured at amortized cost or FVOCI are measured at FVTPL. Gains and losses on these financial assets are recognized in the statements of loss and comprehensive loss. Financial assets measured at FVTPL are comprised of cash and cash held in trust and restricted cash held in escrow.

Business Model Assessment

The Corporation assesses the objective of its business model for holding a financial asset at a level of aggregation which best reflects the way the business is managed and information is provided to management. Information considered in this assessment includes stated policies and objectives.

Contractual Cash Flow Assessment

The cash flows of financial assets are assessed as to whether they are solely payments of principal and interest on the basis of their contractual terms. For this purpose, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money, the credit risk associated with the principal amount outstanding, and other basic lending risks and costs. In performing this assessment, the Corporation considers factors that would alter the timing and amount of cash flows such as prepayment and extension features, terms that might limit the Corporation’s claim to cash flows, and any features that modify consideration for the time value of money.

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Derecognition of Financial Assets

The Corporation derecognizes a financial asset when its contractual rights to the cash flows from the financial asset expire or are transferred and the Corporation has transferred substantially all risks and rewards of ownership. Financial assets are written off when the Corporation has no reasonable expectations of recovering all or any portion thereof.

Financial Liabilities

Recognition and Initial Measurement

The Corporation recognizes a financial liability when it becomes party to the contractual provisions of the instrument. At initial recognition, the Corporation measures financial liabilities at their fair value plus transaction costs that are directly attributable to their issuance, with the exception of financial liabilities subsequently measured at FVTPL for which transaction costs are immediately expensed in the statements of loss and comprehensive loss when incurred.

Where an instrument contains both a liability and equity component, these components are recognized separately based on the substance of the instrument, with the liability component measured initially at fair value and the equity component assigned the residual amount.

Classification and Subsequent Measurement

Financial liabilities are classified and subsequently measured as follows:

- **Amortized cost:** Non-derivative financial liabilities that are not held-for-trading are measured at amortized cost. Financial liabilities measured at amortized cost are comprised of accounts payable and accrued liabilities, promissory notes payable, due to related parties, interest payable, and Class A Restricted Voting Shares.
- **Fair value through profit or loss:** Liabilities that do not meet the criteria to be measured at amortized cost are measured at FVTPL. Gains and losses on these financial assets are recognized in the statements of loss and comprehensive loss. Financial liabilities measured at fair value through profit or loss are comprised of warrant liability.

Derecognition of Financial Liabilities

The Corporation derecognizes a financial liability only when its contractual obligations are discharged, cancelled, or expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statements of loss and comprehensive loss.

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(b) Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all liabilities. Equity instruments issued by the Corporation are recorded as the proceeds received, net of direct issuance costs. Class B Shares and Rights are classified as equity instruments.

(c) Income Taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statements of loss and comprehensive loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and that at the time of the transaction, does not give rise to equal taxable and deductible temporary differences. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(d) Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing the net loss attributable to shareholders by the weighted average number of shares outstanding during the period, excluding Class A Restricted Voting Shares that have been classified as financial liabilities. Diluted earnings (loss) per share, where applicable, is calculated by adjusting the weighted average number of shares outstanding for dilutive instruments using the treasury stock method.

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(e) New accounting standards adopted during the current year

Effective April 1, 2024, the Company adopted the following accounting policy changes, which did not have a material impact on the Financial Statements:

Amendments to IAS 1 – Presentation of Financial Statements

The Corporation adopted the amendments to IAS 1, ‘*Presentation of Financial Statements*’. The amendment clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date. The amendment also clarifies what IAS 1 means when it refers to the ‘settlement’ of a liability and requires companies to disclose, in specified circumstances, information in the notes that enables financial statement users to understand the risk that non-current liabilities with covenants could become repayable within 12 months after the reporting period.

Amendments to IFRS 7 – Financial Statement Instruments: Disclosures and IAS 7 – Statement of Cash Flows

The Corporation adopted amendments to IFRS 7, ‘Financial Instruments: Disclosures’ and IAS 7, ‘Statement of Cash Flows’. The amendments require companies to disclose sufficient information necessary for users of financial statements to understand the effects of supplier finance arrangements on a company’s liabilities and cash flows, as well as on its liquidity risk and risk management.

(f) Accounting standards issued but not yet adopted

The IASB and the IFRIC have issued the following new and revised standards and interpretations that are not yet effective for the relevant reporting periods and the Corporation has not early adopted these standards, amendments and interpretations. The Corporation intends to adopt these standards, if applicable, when the standards become effective. The Corporation is evaluating the potential impacts of adopting the standards below:

Amendments to IAS 21 – The Effect of Changes in Foreign Exchange Rates

Effective for reporting periods beginning on or after January 1, 2025, the Company will adopt the amendments to IAS 21, ‘*The Effects of Changes in Foreign Exchange Rates*’. The amendment specifies when a currency is exchangeable into another currency and when it is not, how a company determines the exchange rate to apply when a currency is not exchangeable, and the required disclosure of additional information when a currency is not exchangeable.

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Amendments to IFRS 9 – Financial Instruments and IFRS 7 – Financial Instruments: Disclosures

Effective January 1, 2026, the Company will adopt the amendments to IFRS 9 ‘*Financial Instruments*’ and IFRS 7 ‘*Financial Instruments: disclosures*’. The amendments clarify the derecognition of financial liabilities, and introduces an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system. The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features and the treatment of non-recourse assets and contractually linked instruments (CLIs). Further, the amendments mandate additional disclosures in IFRS 7 for financial instruments with contingent features and equity instruments classified at FVOCI.

Adoption of IFRS 18 – Presentation and Disclosure in Financial Statements

Effective January 1, 2027, the Company will adopt IFRS 18 ‘*Presentation and Disclosure in Financial Statements*’. The new standards replaces IAS 1 ‘*Presentation of Financial Statements*’. IFRS 18 introduces new categories and required subtotals in the statement of income (loss) and comprehensive income (loss) and also requires disclosure of management-defined performance measures. It also includes new requirements for the location, aggregation and disaggregation of financial information.

4. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES, AND ASSUMPTIONS

The preparation of these Financial Statements requires management to make judgments, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities, and income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The following discusses the most significant accounting judgments, estimates, and assumptions that the Corporation made in the preparation of its Financial Statements.

(a) Classification of Class A Restricted Voting Shares Subject to Redemption and Warrants

Pursuant to the Corporation’s Offering of Class A Restricted Voting units and the amendment to the Warrants (Note 1), the Corporation issued Class A Restricted Voting Shares (Note 6) which the Corporation classified as financial liabilities, measured at amortized cost and Warrants which the Corporation classified as financial liabilities, measured at FVTPL. Professional judgment is required in determining the classification of the Class A Restricted Voting Shares and Warrants based on the characteristics of the financial instruments and terms of the Offering.

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(b) Fair Value of Financial Instruments

Pursuant to the Corporation's Offering of Class A Restricted Voting Units (Note 1), the Corporation issued Class A Restricted Voting Shares, Class A Warrants, and Rights (Note 6, 7 and 8). Estimating the fair value allocation of the Class A Restricted Voting Shares, Class A Warrants, and Rights requires determining the most appropriate valuation model that is dependent on the terms and conditions of the financial instruments. The Corporation applies an option-pricing model to measure the fair value of the Class A Warrants issued in order to arrive at the relative fair value of the Class A Restricted Voting Shares, Class A Warrants and Rights. Application of the option-pricing model requires estimates in expected dividend yields, expected volatility in the underlying assets, and the expected life of the Class A Warrants.

Subsequent to initial recognition, the Corporation applies an option-pricing model to measure the fair value of its Warrants with any changes recognized on the fair value of the Warrants recorded within the statements of loss and comprehensive loss. Accretion expense, which is dependent upon estimates of if and when a redemption may occur, is also recognized on the statements of loss and comprehensive loss. These estimates may ultimately be different from amounts subsequently realized, resulting in an overstatement or understatement of profit or loss.

(c) Recognition and Valuation of Current and Deferred Taxes

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Corporation reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

The Corporation uses professional judgement, based on its understanding of tax laws as it relates to transactions and activities entered into by the Corporation, to determine the probability of deferred tax assets being utilized. When there is uncertainty if the benefits of deferred tax assets will realize, deferred income tax assets are not recognized.

(d) Going Concern

These financial statements have been prepared on a going concern basis and do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the Corporation were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Management has applied judgment in the assessment of the Corporation's ability to continue as a going concern, considering all available information. Given the judgment involved, actual results may lead to a materially different outcome.

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5. RESTRICTED CASH HELD IN ESCROW

Upon the closing of the Offering on June 15, 2022 (Note 1), an aggregate amount of \$142,140,000 (representing \$138,000,000 from the sale of the Class A Restricted Voting Units and an additional \$4,140,000 that was funded by the issuance of a portion of the Funding Warrants) was required to be deposited in an escrow account. Additionally, \$10 relating to the Sponsor purchase of a Class A Restricted Voting Share was also deposited in the escrow account.

In connection with the cash held in escrow, during the year ended March 31, 2025, interest income totaling \$30,765 (March 31, 2024 - \$4,306,397) was recognized on the statements of income (loss) and comprehensive income (loss). In addition, during the year ended March 31, 2025, interest expense of \$30,323 (March 31, 2024 - \$4,037,490) was recognized on the statements of income (loss) and comprehensive income (loss). Interest expense represents interest on the restricted cash held in escrow, net of taxes, that are payable in cash on the Class A Restricted Voting Shares when redeemed (Note 1).

As at March 31, 2025, the restricted cash balance totaled \$49,231 (March 31, 2024 - \$1,709,945), which is net of the Redemption Price, Second Redemption Price, and Third Redemption Price paid (Note 1). As at March 31, 2025 \$11,550 (March 31, 2024 - \$1,325,351) of the restricted cash held in escrow was being held by the Corporation to remit Part VI taxes payable. Interest payable equaled \$4,386 as at March 31, 2025 (March 31, 2024 - \$5,046).

6. CLASS A RESTRICTED VOTING SHARES SUBJECT TO REDEMPTION

Authorized

The Corporation is authorized to issue an unlimited number of Class A Restricted Voting Shares prior to the closing of a Qualifying Acquisition. As at March 31, 2025, a total of 1,892 Class A Restricted Voting Shares were issued and outstanding, net of the 13,798,109 Redeemed Shares (Note 1). Following the Qualifying Acquisition, the Corporation will not issue any Class A Restricted Voting Shares. The holders of Class A Restricted Voting Shares have no preemptive rights or other subscription rights and there are no sinking fund provisions applicable to such shares.

The Corporation has classified its Class A Restricted Voting Shares as financial liabilities based on the redemption provisions constituting a contractual right to deliver cash. Gross proceeds of \$138,000,000 from the Offering were allocated between Class A Restricted Voting Shares - \$128,616,000, Class A Warrants - \$6,210,000, and Rights - \$3,174,000 at initial recognition. The allocation was made based on the fair value of the Class A Restricted Voting Shares, with the residual value allocated to the Class A Warrants and Rights based on their relative fair value, which were calculated using an option-pricing model and fair value determined for Class A Restricted Voting Shares. Inputs to the model include the following: fair value of the underlying shares - \$9.32, the expected life of the option – 2 years, volatility – 48.53% (estimated by benchmarking with companies having businesses similar the Corporation), expected dividend yield - \$nil

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and the risk-free interest rate – 3.27%. Details regarding the Class A Warrants and Rights are outlined in Note 7 and 8 below.

The Class A Restricted Voting Shares valued at \$128,616,000 were discounted by \$2,219,802 (Note 10), representing the transaction costs allocated to the issuance of the Class A Restricted Voting Shares, and are being accreted up to the initial proceeds deposited in escrow that is payable by the Corporation on redemption (Note 1). During the year ended March 31, 2025, the Corporation recorded a gain on debt modification of \$3,851 (March 31, 2024 - \$1,201,271) as a result of the extending the Permitted Timeline (Note 1), thus changing the timing of the accretion of the Class A Restricted Voting Shares. During the year ended March 31, 2025, the Corporation recorded \$8,844 (March 31, 2024 - \$7,215,679) of accretion in the statements of income (loss) and comprehensive income (loss), based on an effective interest rate of 9.41% in connection with the Class A Restricted Voting Shares.

7. WARRANT LIABILITY

As at March 31, 2025 and 2024, there were 22,510,000 Warrants issued and outstanding, comprised of 13,800,000 Class A Warrants (Note 1) forming part of the Class A Restricted Voting Units and 8,710,000 Funding Warrants issued at a price of \$1.00 per Funding Warrant for gross proceeds received of \$8,710,000. All Warrants will become exercisable only commencing 65 days after the completion of a Qualifying Acquisition. Each whole Warrant is exercisable to purchase one Common Share at a price of \$11.50 per share. The Warrants are also subject to accelerations and restrictions as described in Note 1.

Due to the potential cashless exercise feature included within the Supplemental Warrant Indenture (Note 1), the Corporation has classified the Warrants as a liability measured at fair value through profit and loss as they failed to meet the “fixed-for-fixed” requirements prescribed by IAS 32 - *Financial Instruments: presentation*.

As at March 31, 2025, the warrant liability was revalued at \$nil (March 31, 2024 - \$32,624,000) resulting in an unrealized gain on change in fair value of warrant liability of \$32,624,000 during the year ended March 31, 2025 (March 31, 2024 - \$22,908,500 unrealized loss). Inputs to the option-pricing model used to fair value the Warrants as at March 31, 2025 include the following: fair value of the underlying shares - \$10.85, the expected life of the option – 0.21 years, volatility – 40.20% (estimated by benchmarking with companies having businesses similar to the expected target company of the Corporation’s Qualifying Acquisition), expected dividend yield - \$nil and the risk-free interest rate – 4.03%. Inputs to the option-pricing model used to fair value the Warrants as at March 31, 2024 include the following: fair value of the underlying shares - \$0.01, the expected life of the option – 0.46 years, volatility – 73.50% (estimated by benchmarking with companies having businesses similar the Corporation), expected dividend yield - \$nil and the risk-free interest rate – 5.03%.

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8. CONTRIBUTED SURPLUS

Rights

As at March 31, 2025, the Corporation had issued 13,800,000 Rights forming part of the Class A Restricted Voting Units (Note 1). Each Right represents one-tenth (1/10) of a Class A Restricted Voting Share. As at March 31, 2025, the Rights were included within contributed surplus on the statement of financial position at an amount equal to \$3,119,219, net of issuance costs of \$54,781 (Note 10).

Rights will only be converted for a whole number of shares. No fractional shares will be issued upon conversion of the Rights. If, upon conversion of the Rights, a holder would be entitled to receive a fractional interest in a share, the Corporation will, upon conversion, round down to the nearest whole number of shares to be issued to the Rights holder. The Rights will expire if a Qualifying Acquisition does not occur within the Permitted Timeline. The Rights will not have any access to, or benefit from, the proceeds in the Escrow Account, and will not possess any redemption or distribution rights. Any Right that has not been validly converted within six months after the completion of the Corporation's Qualifying Acquisition will be null and void.

(a) Rights – issued and outstanding

	Number of Rights
Balance, March 31, 2022	-
Issuance of Rights pursuant to the Offering	12,000,000
Issuance of Rights pursuant to the Over-Allotment Option	1,800,000
Balance, March 31, 2024 and 2025	13,800,000

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9. SHARE CAPITAL

Class B Shares

(a) Authorized

The Corporation is authorized to issue an unlimited number of Class B Shares prior to the closing of a Qualifying Acquisition. Following the Corporation's Qualifying Acquisition, the Corporation will not issue any Class B Shares. The holders of Class B Shares have no preemptive rights or other subscription rights, and there are no sinking fund provisions applicable to such shares.

(b) Voting Rights

Prior to the completion of a Qualifying Acquisition, holders of the Class B Shares are entitled to vote on and receive notice of meetings on all other matters requiring shareholder approval, other than the election and/or removal of directors and auditors prior to the closing of a Qualifying Acquisition and the extension of the Permitted Timeline. The voting rights of holders of Class B Shares are otherwise identical to those applicable to the publicly held Class A Restricted Voting Shares.

(c) Redemption Rights

The holders of Class B Shares have no redemption rights or rights to distributions from the Escrow Account if the Corporation fails to complete a Qualifying Acquisition within the Permitted Timeline.

(d) Class B Shares – issued and outstanding

As at March 31, 2025, the Corporation has 3,450,000 Class B Shares to Founders issued and outstanding valued at \$24,568, which were issued on June 15, 2022 in exchange for gross proceeds totaling \$25,000 pursuant to the Offering (Note 1). Transaction costs totaling \$432 were allocated to the Class B Shares in connection with the Offering (Note 10).

10. TRANSACTION COSTS

Transaction costs consist principally of legal, accounting, and underwriting costs directly related to the Offering. Transaction costs amounted to \$2,532,380. Excluded from transaction costs was \$5,520,000 in Underwriters' commission which is deferred and payable only upon completion of a Qualifying Acquisition (Note 1). If no qualifying acquisition is consummated within the Permitted Timeline, such amounts shall not be payable. Due to its association with an uncertain future qualifying acquisition, the contingent liability of Deferred Commission balance has not been recorded in the Financial Statements.

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Transaction costs incurred were allocated between Class A Restricted Voting Shares, Class B Shares, Class A Warrants, Funding Warrants, and Rights on the following basis:

	Class A Restricted Voting Shares	Class A Warrants	Funding Warrants	Rights	Class B Shares	Total
Professional fees	\$ 391,104	\$ 18,883	\$ 26,487	\$ 9,653	\$ 76	\$ 446,203
Underwriters' fees	1,814,518	87,611	122,740	44,778	353	2,070,000
Exchange listing	14,180	685	959	350	3	16,177
	\$ 2,219,802	\$ 107,179	\$ 150,186	\$ 54,781	\$ 432	\$ 2,532,380

11. PROMISSORY NOTES PAYABLE

In order to finance the Extension Escrow Deposit (Note 1), the Corporation issued two promissory notes (the “**Promissory Notes**”), each for the principal sum of \$400,000 to the Sponsor. As a result, a total amount of \$800,000 (the “**Principal Amount**”) was received from the Sponsor and deposited into the Escrow Account.

The Promissory Note is interest free and payable to the Sponsor upon the earlier of: (i) the Corporation completing a Qualifying Acquisition, or (ii) the expiry of the Permitted Timeline if the Corporation fails to complete a Qualifying Acquisition prior thereto, provided that if the Corporation fails to complete a Qualifying Acquisition prior to expiry of the Permitted Timeline, then the Principal Amount shall be repaid by the Corporation to the Sponsor only from funds available to the Corporation that are not funds held by the Escrow Agent in the Escrow Account in accordance with the Escrow Agreement.

12. RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel include those persons having the authority and responsibility of planning, directing, and executing the activities of the Corporation. The Corporation has determined that its key management personnel consist of its executive officers and directors. Other related parties to the Corporation include companies in which key management have control or significant influence.

On June 13, 2022, and further amended on June 30, 2022, the Corporation entered into an administrative service agreement with the Sponsor, advancing \$320,000 to the Sponsor for 18 months of administrative support and related services. During the year ended March 31, 2025, the Corporation recognized \$nil

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(March 31, 2024 - \$160,000) of the advances made in general and administrative expenses on the statements of income (loss) and comprehensive income (loss).

During the year ended March 31, 2024, the Corporation issued two Promissory Notes to the Sponsor, as outlined in Note 11, in exchange for a total of \$800,000 from the Sponsor. As at March 31, 2025, a balance of \$800,000 (March 31, 2024 - \$800,000) remains payable to the Sponsor pursuant to the Promissory Notes.

In previous years, certain general and administrative expenses of the Corporation were paid by the Sponsor on the Corporation's behalf. As at March 31, 2025, the Corporation owes \$2,846 (March 31, 2024 - \$2,846) to the Sponsor as repayment for these expenses. Additionally, during the year ended March 31, 2025, the Corporation received \$249,112 (March 31, 2024 - \$nil) in advances from the Sponsor. The advances provided are interest free and payable on demand. As at March 31, 2025, \$249,112 (March 31, 2024 - \$nil) is owed to the Sponsor for the advances provided.

In connection with the Offering, the Sponsor also executed a make whole agreement and undertaking in favour of the Corporation, whereby the Sponsor has agreed to indemnify the Corporation in limited circumstances where the funds available to be paid by the Corporation are reduced to below \$10.30 per Class A Restricted Voting Share (or \$10.40 if the Corporation extends the Permitted Timeline by three months, or \$10.50 if the Corporation extends the Permitted Timeline by an additional three months) to the redeeming holders.

13. GENERAL AND ADMINISTRATIVE EXPENSES

The Corporation had the following general and administrative expenses during the year ended March 31, 2025, and 2024:

Year ended March 31	2025	2024
Professional fees	\$ 1,209,320	\$ 2,203,733
Insurance expense	197,680	178,013
Shareholder relations, transfer agent and filing fees	42,133	67,202
General office expenses	28,534	290,253
Part VI.1 tax	11,550	1,352,351
	\$ 1,489,217	\$ 4,091,552

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14. INCOME TAXES

The provision for income taxes differs from the result that would have been obtained by applying the combined federal and provincial statutory Canadian income tax rates of 27% (March 31, 2024 – 27%) to the net loss before income taxes. The difference results from the following items:

For the years ended March 31,	2025	2024
Net income (loss) before income tax	\$ 31,096,718	\$ (32,754,131)
Expected income tax expense (recovery) at statutory rates	8,396,114	(8,843,615)
Increase (decrease) resulting from:		
Accretion of Class A restricted voting shares	2,388	1,948,233
Unrealized changes in fair value of warrant liability	(8,808,480)	6,185,295
Interest expense	8,187	1,090,122
Gain on loan modification	(1,040)	(324,343)
Part VI tax	(7,792)	(912,837)
Other permanent adjustments	89,014	127,185
Prior year true ups	3,400	-
Change in tax benefits not recognized	318,209	336,535
Income tax recovery	\$ -	\$ (393,425)

The details of the provision (recovery) for income taxes are as follows:

For the years ended March 31,	2025	2024
Current tax recovery	\$ -	\$ (393,425)
Deferred tax provision	-	-
Net tax recovery	\$ -	\$ (393,425)

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

As at March 31,	2025	2024
Share issuance costs	\$ 1,012,952	\$ 1,519,428
Non-capital loss carry-forward	3,437,933	1,752,905
Total	\$ 4,450,885	\$ 3,272,333

The Corporation's share issuance costs will be fully amortized by 2027. The Corporation's non-capital loss carry forwards expire between 2044 and 2045.

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15. FINANCIAL INSTRUMENTS

As at March 31, 2025, the Corporation's financial instruments consist of cash and cash held in trust and restricted cash held in escrow, accounts payable and accrued liabilities, promissory notes payable, due to related parties, interest payable, Class A Restricted Voting Shares subject to redemption, and warrant liability.

The Corporation characterizes its fair value measurements of financial instruments into a three-level hierarchy depending on the degree to which the inputs are observable as follows:

- Level 1 – inputs are quoted prices in active markets for identical assets and liabilities;
- Level 2 – inputs other than quoted prices, included within Level 1, that are observable for the assets or liabilities either directly or indirectly; and
- Level 3 – Inputs are unobservable for the asset or liability.

A financial instrument is classified to the lowest level hierarchy for which a significant input has been used in measuring fair value. As at March 31, 2025, the cash and cash held in trust and restricted cash held in escrow have been measured using level 1 inputs and the warrant liability has been measured using level 2 inputs.

The carrying amount of accounts payable and accrued liabilities, promissory note payable, due to related parties, and interest payable approximate their respective fair values due to the short-term maturities of those instruments.

As at March 31, 2025, the trading price of each Class A Restricted Voting Share was \$0.01 (March 31, 2024 - \$10.85).

Financial risk management

The Corporation is exposed to financial risks due to the nature of its business and the financial assets and liabilities that it holds. The Corporation's overall risk management strategy seeks to minimize potential adverse effects on the Corporation's financial performance.

Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Corporation has accounts payable and accrued liabilities, promissory notes payable, due to related parties, interest payable, and Class A Restricted Voting Shares subject to redemption totaling \$4,289,378 as at March 31, 2025 (March 31, 2024 - \$4,414,890) that are considered current liabilities due within one year.

Agrinam Acquisition Corporation

Notes to the Annual Audited Consolidated Financial Statements

For the years ended March 31, 2025 and 2024

(Expressed in United States dollars)

Credit Risk

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Corporation's cash and cash held in trust and restricted cash held in escrow. The carrying amount of cash and cash held in trust and restricted cash held in escrow represents the maximum credit exposure to the Corporation. The Corporation manages credit exposure related to cash and cash held in trust and restricted cash held in escrow by selecting financial institution counterparties with high credit ratings.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. The Corporation does not have significant exposure to these risks.

16. CAPITAL MANAGEMENT

The Corporation defines the capital that it manages as its cash and cash held in trust and restricted cash held in escrow. The Corporation's primary objective in managing capital is to ensure capital preservation in order to benefit from acquisition opportunities as they arise and to fund redemptions should they occur.

To the extent that the Corporation requires additional funding for general ongoing expenses prior to its Qualifying Acquisition, the Corporation may seek funding by way of unsecured loans from its Sponsor and/or its affiliates, which loans must be on reasonable commercial terms. The lender under the loans would not have recourse against the funds held in the Escrow Account, and thus the loans will not reduce the value thereof. Such loans will collectively be subject to a maximum aggregate principal amount equal to 10% of the escrowed funds. Such loans may be repayable in cash or subject to any required approval of the Exchange, be convertible into shares and/or Warrants, however no such repayment or conversion shall occur prior to the closing of the Qualifying Acquisition.

17. SUBSEQUENT EVENTS

- a) On May 14, 2025, the Corporation submitted an application to the TSX Listing Committee, requesting a waiver of the requirements under Section 1022, Part X of the TSX Company Manual, which requires that a special purpose acquisition corporation ("**SPAC**") complete a qualifying acquisition within 36-months of the closing date of its initial public offering (the "**TSX Waiver Application**") and for such timeframe be extended by an additional three (3) months, from June 15, 2025 to September 15, 2025, or such other earlier date as determined by the TSX, in order to complete the proposed Business Combination.
- b) On May 15, 2025, the Corporation filed its preliminary non-offering prospectus in connection with its proposed Qualifying Acquisition with Blue Energy.
- c) On June 5, 2025, the Corporation announced that it had submitted an appeal ("**TSX First Appeal Decision**") in respect of the TSX's decision to initial deny its TSX Waiver Application (the "**Initial**")

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TSX Decision”). The TSX First Appeal was later denied on June 13, 2025 (the “**TSX First Appeal Decision**”).

- d) On June 10, 2025 the Corporation held a special meeting of holders of Class A Restricted Voting Shares and Class B Shares (the “**Fifth Special Meeting**”) to vote on a resolution to authorize an amendment to the amended and restated articles of the Corporation dated September 14, 2023 (the “**Articles**”) whereby the definition of “Extension” and “Permitted Timeline” contained in Section 28.2 of the articles of the Corporation was proposed to be amended in order to permit the Corporation to extend the permitted timeline within which it must consummate its Qualifying Acquisition from up to 36-months to 39-months (the “**Amendment**”). At the Fifth Special Meeting, holders of Class A Restricted Voting Shares also considered a resolution to approve the Corporation’s Permitted Timeline from June 15, 2025 to September 15, 2025 (the “**Extension**”). The Amendment to the Articles and the Extension were approved at the Fifth Special Meeting. In connection with the Fifth Special Meeting, holders of Class A Restricted Voting Shares were provided with the option to redeem all or a portion of their Class A Restricted Voting Shares; however, no such Class A Restricted Voting Shares were redeemed in connection with the Fifth Special Meeting.
- e) On June 18, 2025, the Corporation announced that it had submitted an appeal in respect of the TSX First Appeal Decision along with a listing application (the “**Second Level of Appeal**”). As of the date of these Financial Statements the Second Level of Appeal remains ongoing and under review by the TSX. In connection with the Second Level of Appeal, the Corporation also requested a deferral of any administrative steps and a deferral of any delisting to be undertaken by the TSX until the merits of the Second Level of Appeal have been fully considered.