

The logo for Etrion, featuring the word "etrion" in a lowercase, red, sans-serif font. The letters are bold and have a slightly rounded, modern appearance. The background of the page is composed of several large, overlapping rectangular blocks in shades of gray and red, creating a geometric, abstract design.

etrion

Audited Consolidated Financial Statements
Year Ended December 31, 2025

At a Glance

Etrion Corporation

Etrion Corporation was created as a renewable energy development company. From our inception we have been committed to contributing to the diversification of the energy mix by leveraging the abundance of renewable resources to generate clean, reliable and cost-effective solar energy.

In 2021, Etrion sold all its operating and under construction solar parks in Japan to two different Japanese consortiums. The Company no longer owns or controls any energy assets or projects and has the intention to wind up in due course. Any cash remaining at the completion of the windup activities and settlement of all liabilities of the Company will be distributed to shareholders.



For more information about our Company,
take a look on our website at: www.etrion.com

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Independent auditor's report

To the Shareholders of Etrion Corporation

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Etrion Corporation and its subsidiaries (together, the Corporation) as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards.

What we have audited

The Corporation's consolidated financial statements comprise:

- the consolidated statements of net loss and comprehensive net loss for the years ended December 31, 2025 and 2024;
- the consolidated balance sheets as at December 31, 2025 and 2024;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 Canadian generally accepted auditing standards 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 consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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.
- 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 Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 Corporation'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 consolidated 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 Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Corporation as a basis for forming an opinion on the consolidated 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.

We communicate with those charged with governance 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.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia

March 12, 2026

Consolidated statement of net loss and comprehensive net loss

For the years ended December 31, 2025 and 2024

Expressed in US\$'000

	Note	2025	2024
General and administrative expenses	5	(779)	(1,386)
Other income	6	-	1,046
Operating loss		(779)	(340)
Finance income	7	42	9
Finance costs	7	(706)	(297)
Net finance costs		(664)	(288)
Loss before income tax		(1,443)	(628)
Income tax expense	8	(19)	(63)
Net loss		(1,462)	(691)
Other comprehensive loss			
Items that may be reclassified to profit and loss:			
Loss on currency translation	13	722	(626)
Total other comprehensive loss		722	(626)
Total comprehensive net loss		(740)	(1,317)
Loss attributable to:			
Owners of the parent		(1,462)	(691)
Total		(1,462)	(691)
Total comprehensive loss attributable to:			
Owners of the parent		(740)	(1,317)
Total		(740)	(1,317)
Basic and diluted loss per share	9	\$(0.00)	\$(0.00)

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

Consolidated balance sheet

As at December 31, 2025 and 2024

Expressed in US\$'000

	Note	December 31 2025	December 31 2024
Assets			
Current assets			
Other receivables	11	83	159
Cash and cash equivalents	10	1,533	6,251
Total current assets		1,616	6,410
Total assets		1,616	6,410
Equity			
Attributable to common shareholders			
Share capital	12	4,134	2,055
Contributed surplus		3,461	9,461
Other reserves	13	(1,170)	(1,892)
Accumulated losses		(5,046)	(3,584)
Total equity		1,379	6,040
Liabilities			
Non-current liabilities			
Trade and other payables	14	-	170
Total non-current liabilities		-	170
Current liabilities			
Trade and other payables	14	237	200
Total current liabilities		237	200
Total liabilities		237	370
Total equity and liabilities		1,616	6,410

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

Consolidated statement of changes in equity

For the years ended December 31, 2025 and 2024
Expressed in US\$'000

	Share capital	Contributed surplus	Other reserves	(Accumulated losses) Retained earnings	Total equity
Balance at January 1, 2024	2,055	9,461	(1,266)	(2,893)	7,357
Comprehensive loss:					
Loss for the year	-	-	-	(691)	(691)
Other comprehensive loss:					
Currency translation	14	-	(626)	-	(626)
Total comprehensive loss	-	-	(626)	(691)	(1,317)
Balance at December 31, 2024	2,055	9,461	(1,892)	(3,584)	6,040
Balance at January 1, 2025	2,055	9,461	(1,892)	(3,584)	6,040
Capital increase	6,000	(6,000)	-	-	-
Return of capital	(3,921)	-	-	-	(3,921)
Comprehensive loss:					
Loss for the year	-	-	-	(1,462)	(1,462)
Other comprehensive loss:					
Currency translation	13	-	722	-	722
Total comprehensive loss	-	-	722	(1,462)	(740)
Balance at December 31, 2025	4,134	3,461	(1,170)	(5,046)	1,379

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

Consolidated statement of cash flows

For the years ended December 31, 2025 and 2024

Expressed in US\$'000

	Note	2025	2024
Operating activities:			
Net loss for the year		(1,462)	(691)
Adjustments for:			
Income tax expense	8	19	63
Foreign exchange loss	7	673	142
Interest income	7	-	6
Sub-total		(770)	(480)
Changes in working capital:			
Trade and other receivables		76	134
Trade and other payables		(133)	(2,329)
Income tax paid		(10)	(230)
Total cash flow used in operating activities		(837)	(2,905)
Financing activities:			
Return of capital		(3,921)	-
Total cash flow used in operating activities		(3,921)	-
Net decrease in cash and cash equivalents		(4,758)	(2,905)
Effect of exchange rate changes on cash and cash equivalents		40	(768)
Cash and cash equivalents at the beginning of the year		6,251	9,924
Cash and cash equivalents at the end of the year	10	1,533	6,251

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

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Notes to the consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

Expressed in US\$'000 unless otherwise stated

1. General information

Etrion Corporation ("Etrion" or the "Company" or, together with its subsidiaries, the "Group") is incorporated under the laws of the Province of British Columbia, Canada. The address of its registered office is 2200 HSBC Building, 885 West Georgia Street, Vancouver, British Columbia V6C 3E8, Canada.

In 2021, Etrion sold all its operating and under construction solar parks in Japan to two different Japanese consortiums and therefore is no longer owning or operating any solar projects. On August 24, 2021, the Company distributed \$109.2 million to the shareholders as a return of capital, and the share capital was reduced accordingly.

Further to the sale of all of the Company's assets and the return of capital to shareholders, and in order to minimize the costs and management time associated with the listing of the Corporation's common shares on the Toronto Stock Exchange (the "TSX") and Nasdaq Stockholm stock exchange (the "Nasdaq"), the Company applied to voluntarily delist the common shares. Such delisting from the TSX became effective after the close of trading on September 17, 2021 and from the Nasdaq after the close of trading on January 4, 2022.

The Company will complete its windup activities and proceed with the dissolution of all the Company's legal entities. Any cash remaining at the completion of the windup activities, collection of contingent assets and settlement of all liabilities of the Company will be distributed to shareholders. These consolidated financial statements are presented in United States ("US") Dollars ("\$"), which is the Group's presentation currency. Effective January 1, 2025, the Company's functional currency changed from the Japanese yen ("¥") to the US Dollar, following a change in the principal environment where the Group conducts its business. The change has been applied prospectively. The Company's Board of Directors approved these consolidated financial statements on March 12, 2026.

2. Summary of material accounting policies

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all periods presented unless otherwise stated.

(a) Basis of preparation

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") that are effective or available for early adoption for accounting periods beginning on January 1, 2025. The consolidated financial statements have been prepared under the historical cost convention, except for certain financial assets and financial liabilities, such as derivative financial instruments, which are measured at fair value. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Company's management to exercise judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where the assumptions and estimates are significant to the consolidated financial statements, are disclosed in [Note 3](#).

(b) Changes in accounting policies and disclosures

During the year ended December 31, 2025, the Group applied the amended accounting standards, interpretations and annual improvement points that are effective as of January 1, 2025. The application of the amendments did not have a material impact on the consolidated financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

On April 9, 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements which sets out presentation and base disclosure requirements for financial statements. The changes, which mostly affect the income statement, include the requirement to classify income and expenses into three new categories – operating, investing and financing. Further, operating expenses are presented directly on the face of the income statement – classified either by nature, by function or using a mixed presentation. Expenses presented by function require more detailed disclosures about their nature. IFRS 18 also provides enhanced guidance for aggregation and disaggregation of information in the financial statements, introduces new disclosure requirements for management-defined performance measures and eliminates classification options for interest and dividends in the statement of cash flows. IFRS 18 is effective for annual periods beginning on or after January 1, 2027. The Group has not early adopted IFRS 18, or any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IFRS 9 and IFRS 7

In May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7). These amendments updated classification and measurement requirements in IFRS 9 Financial Instruments and related disclosure requirements in IFRS 7 Financial Instruments: Disclosures. The IASB clarified the recognition and derecognition date of certain financial assets and liabilities, and amended the requirements related to settling financial liabilities using an electronic payment system. It also clarified how to assess the contractual cash flow characteristics of financial assets in determining whether they meet the solely payments of principal and interest criterion, including financial assets that have environmental, social and corporate governance (ESG)-linked features and other similar contingent features. The IASB added disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs and amended disclosures relating to equity instruments designated at fair value through other comprehensive income. The amendments are effective for annual periods beginning on or after January 1, 2026, with early application permitted. Management is currently assessing the effect of these amendments on the consolidated financial statements.

(c) Basis of consolidation**Subsidiaries**

Subsidiaries are all entities (including structured entities) over which the Group has control and are consolidated. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. Subsidiaries are deconsolidated from the date that control ceases in accordance with IFRS 10, (“Consolidated Financial Statements”). Non-controlling interests’ share of total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance. Inter-company transactions, balances and unrealized gains or losses on transactions between Group companies are eliminated. The accounting policies used by subsidiaries, where different from those of the Group, are amended where necessary to ensure consistency with the accounting policies adopted by the Group.

The following table list the subsidiaries of the Company with a cash position in excess of \$0.5 million included in the consolidated financial statements at and for the year ended December 31, 2025. The equity interest percentage shown in the table represents Etrion’s share in votings rights in those entities. Each entity has share capital consisting of equity held directly by the Company or another of its consolidated subsidiaries.

Country of organization / Entity name	Place of Business	Equity interest
Luxembourg. Solar Resources Holding SARL	Luxembourg	100%

(d) Foreign currency translation**Functional currency and presentation currency**

The consolidated financial statements are presented in \$, which is the Group’s functional currency. Effective January 1, 2025, the Company’s functional currency changed from the Japanese yen (“¥”) to the US Dollar, following a change in the principal environment where the Group conducts its business. The change has been applied prospectively. Foreign exchange gains and losses are presented within finance income and costs. In preparing the consolidated financial statements, the individual financial statements of the Company’s subsidiaries are translated into the functional currency of the Company, the US dollar.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or, where items are remeasured at the dates of valuations. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies translated at the year-end exchange rate are recognized in profit or loss, except when deferred in other comprehensive income as qualifying cash flow hedges.

Group companies

The results and financial position of all Group entities that have a functional currency different from the functional currency of the Group are translated into the functional currency as follows:

- assets and liabilities for each balance sheet item are translated at the closing exchange rates prevailing at the balance sheet date; income and expenses for each statement of comprehensive income item are translated at the exchange rate at the transaction date (or the annual average exchange rate if this represents a reasonable approximation); and
- all resulting exchange differences are recognized in other comprehensive income.

Exchange differences arising from the translation of monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation) are recognized initially in other comprehensive income. On the disposal or partial disposal of the net investment (reduction in ownership percentage), the amounts recognized in other comprehensive income are reclassified from equity to profit or loss. Management does not consider the repayment of quasi-equity loans designated as ‘net investment’ to qualify as a disposal and therefore no reclassification of exchange differences is made from equity to profit or loss when such repayment occurs. Where, as a result of a change in circumstances, a previously designated ‘net investment’ loan is settled (monetary items receivable from or payable to a foreign operation are actually repaid), the loan is de-designated and then exchange differences arising from the translation are accounted for in profit or loss from that point forward.

Exchange rates for the relevant currencies of the Group with respect to the US dollar are as follows: (CHF refers to Swiss francs)

	€/ \$	CAD\$/ \$	\$/ CHF
December 31, 2025	1.18	0.73	0.79
December 31, 2024	1.04	0.70	0.90
December 31, 2023	1.10	0.75	0.84
Average 2025	1.13	0.72	0.83
Average 2024	1.08	0.73	0.88

Notes to the consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

Expressed in US\$'000 unless otherwise stated

(e) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with maturities of three months or less.

(f) Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of new shares or share options are shown in equity as a deduction, net of tax, from the proceeds.

(g) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

(h) Current income tax

The tax expense for the period comprises current and deferred income tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income. The Company's management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(i) Provisions

Provisions are recognized when the Group has a present obligation as a result of a past event, it is probable that the Group will be required to settle the obligation and a reliable estimate of the obligation can be made.

(j) Short-term investments

Short-term investments, including term deposits with maturities of less than one year, are classified as financial assets and measured at amortized cost under IFRS 9, provided they meet the criteria of the SPPI test and are held within a business model to collect contractual cash flows. Interest income is recognized using the effective interest rate method over the investment period. These assets are presented as current financial assets in the statement of financial position.

(k) Segment reporting

Since 2022, there is no longer segment reporting information, following the sale of the Company's only segment (Solar Japan) in 2021.

3. Accounting estimates and assumptions

In connection with the preparation of the Company's consolidated financial statements, the Company's management has made assumptions and estimates about future events and applied judgments that affect the reported values of assets, liabilities, expenses and related disclosures. The assumptions, estimates and judgments are based on historical experience, current trends and other factors that the Company's management believes to be relevant at the time the consolidated financial statements are prepared. On a regular basis, the Company's management reviews the accounting policies, assumptions, estimates and judgments to ensure that the consolidated financial statements are presented fairly in accordance with IFRS. However, because future events and their effects cannot be determined with certainty, actual results could differ from these assumptions and estimates, and such differences could be material.

4. Financial risk management

(a) Financial risk management

Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Euro and the Swiss franc. The Group's foreign currency exposure arises from commercial transactions and recognized cash assets denominated in a currency that is not the currency of the relevant Group entity. The Group does not undertake hedging arrangements to mitigate the foreign currency exposure on its net investments in foreign operations or on income from foreign operations in order to hedge the risk of foreign currency variations. The Group is primarily exposed to changes in the ¥/\$ and ¥/€ exchange rates on the cash and intercompany loans.

	<i>Impact on profit/(loss)</i>	
	2025	2024
¥/\$ increase 5% (2024: 5%)	(41)	(135)
¥/\$ decrease 5% (2024: 5%)	41	149
¥/€ increase 5% (2024: 5%)	-	99
¥/€ decrease 5% (2024: 5%)	-	(100)

Credit risk

Credit risk mainly arises from cash and cash equivalents and short-term investments. The Group does not have policies in place to assign internal ratings to or set credit limits on its counterparties. The credit risk on liquid fund is considered to be limited as counterparties are financial institutions with high and medium credit ratings assigned by international credit agencies. The credit quality of financial assets that are neither past due nor impaired at December 31, 2025, can be assessed by reference to credit ratings from Standard & Poors, if available, as follows:

	2025	2024
A-	856	1,117
A+	382	4,601
AA-	295	265
A	-	217
BBB	-	51
Total cash and cash equivalents	1,533	6,251

(b) Fair value estimation

The Group's financial instruments carried at fair value are classified at the following levels within a measurement hierarchy that is based on the valuation technique used to estimate fair values:

Level 1: includes fair value measurements derived from quoted prices in active markets for identical assets or liabilities. The fair values of financial instruments traded in the active market are based on quoted market prices at the balance sheet date. At December 31, 2025 and December 31, 2024, the Group's cash and cash equivalents were classified as Level 1.

Level 2: includes fair value measurements derived from inputs other than quoted prices included within Level 1 that are observable for assets or liabilities, either directly or indirectly. At December 31, 2025 and December 31, 2024, the Group had no financial instruments classified as Level 2.

Level 3: includes fair value measurements derived from valuation techniques that include inputs for assets or liabilities that are not based on observable market data. At December 31, 2025 and December 31, 2024, the Group had no financial instruments classified as Level 3.

	December 31 2025	December 31 2024
Financial assets		
Level 1: Cash and cash equivalents	1,533	6,251
Total Financial assets	1,533	6,251

Notes to the consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

Expressed in US\$'000 unless otherwise stated

5. General and administrative expenses

	2025	2024
Board of Directors' fees	67	97
Professional fees	463	876
Listing costs	147	92
Office lease	8	10
Office, travel and other	75	164
Taxes other than income	19	147
Total general and administrative expenses	779	1,386

Taxes other than income refers to the net wealth tax expense for the Company's subsidiary Solar Resources Holding, Sarl. Professional fees include the cost of the services provided by related parties. [Note 15](#)

6. Other income (expense), net

	2025	2024
Other income		
Japanese assets earn-out	-	1,168
Gain on sale of wind project permits	-	167
Change in employee payable estimate	-	49
Total other income	-	1,384
Other expense	2025	2024
Unrecoverable VAT and withholding taxes	-	59
Other expense, net	-	279
Total other expense	-	338
Total other income, net	-	1,046

On September 30, 2024, the Group's Luxembourg subsidiary received an earn-out payment of \$1.2 million. This payment relates to a reimbursement for grid connection costs associated with a former Japanese asset that was sold in 2021. In September 2024, the Group's Japanese subsidiary realized \$0.2 million in proceeds from the sale of permits and rights associated with a wind project previously abandoned. During the year ended 2024, management reviewed the estimated RSU employee payable and decreased the liability by \$49 thousand (2024: US\$0.4 million).

7. Net finance costs

	2025	2024
Finance income:		
Other finance income	42	9
Total finance income	42	9
Finance costs:		
Interest expense	-	140
Foreign exchange loss	695	142
Other finance costs	11	15
Total finance costs	706	297
Net finance costs	664	288

During 2024, the Company recognized \$0.1 million of interest expense associated with a tax reassessment from the Canadian Revenue Agency in Canada ("CRA").

8. Income taxes

(a) Income tax expense

	2025	2024
Income tax expense:		
Corporate income tax expense	19	63
Total income tax expense	19	63

During the year ended 2025 and 2024, the Group recognized an income tax expense associated with its management services subsidiaries. The Group's income tax expense is reconciled to the (loss) income before tax at the Canadian statutory tax rate as follows:

	2025	2024
Loss before income tax from continuing operations	(1,443)	(628)
Income tax calculated at 27% (2024: 27.0%)	(389)	(170)
Tax effects of:		
Non-deductible expenses	-	10
Tax losses not recognized	408	228
Differences in foreign rates	(2)	(8)
Other	2	3
Total income tax expense	19	63

(b) Current income tax liabilities

	December 31 2025	December 31 2024
Corporate income tax	-	-
Total current income tax liabilities	-	-

(c) Unrecognized deferred income tax assets

At December 31, 2025, The Group had unrecognized deferred income tax assets of \$130.6 million (2024: \$123.0 million), of which \$61.2 million (2024: \$53.6 million) expires between ten and twenty years and \$69.4 million (2024: \$69.2 million) has no expiry.

Notes to the consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

Expressed in US\$'000 unless otherwise stated

9. Loss per share

Basic and diluted loss per share is calculated by dividing the net loss for the period attributable to owners of the Company by the weighted average number of shares outstanding during the period. The calculation of basic and diluted loss per share is as follows:

	2025	2024
Loss attributable to common shareholders:		
Loss from the period	(1,462)	(691)
Total loss attributable to common shareholders	(1,462)	(691)
Weighted average number of thousand shares outstanding	334,094	334,094
Basic and diluted loss per share:	\$(0.00)	\$(0.00)

10. Cash and cash equivalents

The Group's cash and cash equivalents are held in banks in Canada, Luxembourg and Switzerland with high and medium grade credit ratings assigned by international credit agencies. As of December 31, 2024, the company held a USD-denominated term deposit of \$4.0 million, bearing an annual interest rate of 3.89%. The term deposit is classified as cash and cash equivalents due to its short-term maturity of three months from the date of acquisition. The fair value of cash and cash equivalents approximates their carrying value owing to short maturities.

	December 31 2025	December 31 2024
Cash and cash equivalents	1,533	6,251
Total	1,533	6,251

The currencies of the Group's cash and cash equivalents are as follows:

	December 31 2025	December 31 2024
Japanese yen	-	1,445
Euros	893	113
Canadian dollars	5	84
Swiss francs	8	16
American dollars	627	4,593
Total cash and cash equivalents	1,533	6,251

11. Other receivables

	December 31 2025	December 31 2024
VAT account receivables	32	36
Advances paid and Prepaid expenses	18	38
Other current assets	33	85
Total other receivables	83	159

The currencies of the Group's financial assets included within other receivables are as follows:

	December 31 2025	December 31 2024
Japanese yen	-	74
Euros	-	-
Canadian dollars	29	28
American dollars	43	8
Swiss francs	11	49
Total other receivables	83	159

12. Share capital

The Company has authorized capital consisting of an unlimited number of common shares, of which 334,094,324 shares are issued and fully-paid and outstanding at December 31, 2025 (December 31, 2024: 334,094,324). In addition, the Company is authorized to issue an unlimited number of preferred shares, issuable in series, none of which have been issued. The common shares of the Company have no par value, are all the same class, carry voting rights, and entitle shareholders to receive dividends as and when declared by the Board of Directors. On May 13th, 2025, the board of directors resolved the conversion of \$6 million of the contributed surplus of the Corporation into capital of common shares by increasing the stated capital maintained for the common shares by \$6 million. On May 27th, 2025, the Company distributed \$0.0117 per share to the shareholders as a return of capital for a total amount of \$3.9 million, and the share capital was reduced accordingly.

13. Other reserves

	Translation reserve	Transactions with non- controlling interest	Total
At January 1, 2024	(931)	(335)	(1,266)
Currency translation difference:			
- Loss on translation adjustment	(626)	-	(626)
At December 31, 2024	(1,557)	(335)	(1,892)
Currency translation difference:			
- Loss on translation adjustment	722	-	722
At December 31, 2025	(835)	(335)	(1,170)

Translation reserve

The translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations. In addition, exchange differences arising from the translation of monetary items receivables from foreign operation are included in the translation reserve as described in [Note 2\(d\)](#).

14. Trade and other payables

	December 31 2025	December 31 2024
Financial liabilities		
Trade payables	111	61
Total financial liabilities	111	61
Accrued expenses	126	138
Other payables	-	171
Total trade and other payables	237	370
Current portion	237	200
Non-current portion	-	170

The carrying value of the Group's financial liabilities within trade and other payables approximates their fair value due to the relatively short maturity of these liabilities. The currencies of the Group's trade and other payables are as follows:

	December 31 2025	December 31 2024
Japanese yen	-	97
Euros	30	23
Canadian dollars	45	173
Swiss francs	65	77
American Dollars	97	
Total trade and other payables	237	370

15. Related parties

For the purposes of preparing the Company's consolidated financial statements, parties are considered to be related if one party has the ability to control the other party, or if one party can exercise significant influence over the other party in making financial and operational decisions. The Company's major shareholder is the Lundin family, which collectively owns through various trusts approximately 36% of the Company's common shares (2024: 36%). Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed below. Details of transactions between the Group and other related parties are disclosed below.

(a) Related party transactions

During the year ended December 31, 2025, and 2024, the Group entered into the following transactions with related parties:

	2025	2024
General and administrative expenses:		
Luna Capital Holding LLC/ Marco A. Northland	94	89
Total transactions with related parties	94	89

There were no amounts outstanding to related parties at December 31, 2025 and December 31, 2024.

There were no amounts outstanding from related parties at December 31, 2025 and December 31, 2024.

Notes to the consolidated financial statements

As at and for the years ended December 31, 2025 and 2024

Expressed in US\$'000 unless otherwise stated

Luna Capital Holding LLC/ Marco A. Northland

On January 1, 2024, the Company entered into a new consulting agreement with Mr. Northland, through his wholly owned company, Luna Capital Holdings, LLC, for the continued provision of his services as Chief Executive Officer and Chief Operating Officer. On August 30, 2024, the Company executed a new consulting agreement directly with Mr. Northland, replacing the prior agreement with Luna Capital Holdings, LLC. The agreement may be terminated by either party with a minimum of thirty (30) days' written notice. The total compensation under the new agreement remained unchanged at CHF 6,500 per month. The agreement with Mr. Northland was terminated effective December 31, 2025, and replaced by a success-based compensation of CHF 312,000 due upon successful completion and recovery of the Tremonti Ambiente tax credit.

Note 17

16. Financial assets and liabilities

	December 31, 2025		December 31, 2024	
	Financial assets at amortized cost	Total	Financial assets at amortized cost	Total
Financial assets				
Cash and cash equivalents	1,533	1,533	6,251	6,251
Total financial assets	1,533	1,533	6,251	6,251

	December 31, 2025		December 31, 2024	
	Financial liabilities	Total	Financial liabilities	Total
Financial liabilities				
Trade payables	111	111	61	61
Total financial liabilities	111	111	61	61

The Group's financial instruments carried at fair value are classified within the measurement hierarchy set out in [note 4\(b\)](#).

The Group's assets that are measured at fair value are as follows:

	December 31 2025	December 31 2024
Financial assets		
Level 1: Cash and cash equivalents	1,533	6,251
Total financial assets	1,533	6,251

17. Contingencies

Recoverability of tax reimbursement claim

The Company has been actively pursuing reimbursement of certain tax payments (Tremonti Ambiente) in Italy regarding years 2010-2013, 2014-2015 and 2016-2017 before the Italian Courts. On July 27th, 2022, the Regional Tax Court in Rome ruled partially in favour of the Company and recognized the right of refund of EUR 6 million (gross) for the 2010-2013 tax years. However, the Rome tax authority subsequently lodged an appeal with the Supreme Court. As a consequence of the appeal filed with the Supreme Court, the Company must await the outcome, a process that could span from two to five years, before determining its complete entitlement to this refund. The Company will not pursue all other tax claims following the outcome of the legal rulings.