

Veji Holdings Ltd.
Condensed Interim Financial Statements
For the three months ended June 30, 2024
(Expressed in Canadian dollars) (unaudited)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed interim financial statements of the Veji Holdings Ltd. ("Veji" or the "Company") have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements.

Veji Holdings Ltd.
Condensed Interim Statements of Financial Position
As at June 30, 2024 and March 31, 2024
(Expressed in Canadian dollars)

	June 30, 2024	March 31, 2024
	(unaudited)	(audited)
Assets		
Current assets		
Cash	\$ 6,422	\$ 61,318
Accounts receivable (note 4)	16,594	15,081
Prepaid expenses and deposits (note 5)	20,561	-
Total current assets	43,578	76,399
Total assets	\$ 43,578	\$ 76,399
Liabilities and shareholders' deficiency		
Current liabilities		
Accounts payable and accrued liabilities (note 6)	\$ 125,460	\$ 200,695
Loans and borrowings (note 7)	26,252	99,525
Total current liabilities	151,713	300,220
Total liabilities	151,713	300,220
Shareholders' deficiency		
Share capital (note 8)	11,706,838	11,521,066
Contributed surplus (note 9)	3,765,828	3,765,828
Accumulated deficit	(15,580,802)	(15,510,715)
Total shareholders' deficiency	(108,135)	(223,821)
Total liabilities and shareholders' deficiency	\$ 43,578	\$ 76,399

Going concern (note 2)

Approved on August 26, 2024, by the Board of Directors

Director signed "Ryan Hounjet"

Director signed "Amardeep Purewal"

See accompanying notes to the condensed interim financial statements

Veji Holdings Ltd.
Condensed Interim Statements of Income/(Loss) and Comprehensive Income/(Loss)
For the three ended June 30, 2024 and June 30, 2023
(Expressed in Canadian dollars) (unaudited)

	<u>Three months ended</u>	
	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Operating Expenses:		
General and administrative (note 10)	70,087	77,345
Gain on derecognition of financial liabilities	-	(7,552,846)
Total operating expenses	<u>70,087</u>	<u>(7,475,501)</u>
Operating income (loss)	<u>\$ (70,087)</u>	<u>\$ 7,475,501</u>
Interest expense, net	-	757
Net finance expense	<u>-</u>	<u>757</u>
Net income (loss) for the period	<u>(70,087)</u>	<u>7,474,744</u>
Other comprehensive loss:		
Items that may be reclassified subsequently to profit or loss:		
Currency translation adjustment	-	25,353
Total comprehensive income/(loss) for the period	<u>(70,087)</u>	<u>7,500,097</u>
Weighted average number of common shares outstanding	6,713,409	1,889,726
Basic and diluted net income/(loss) per share (note 11)	<u>\$ (0.01)</u>	<u>\$ 3.96</u>

See accompanying notes to the condensed interim financial statements

Veji Holdings Ltd.
Condensed Interim Statements of Changes in Equity (Deficiency)
For the three months ended June 30, 2024 and June 30, 2023
(Expressed in Canadian dollars) (unaudited)

	Number of shares	Share capital	Contributed Surplus	Accumulated Deficit	Accumulated Other Comprehensive Income	Total
Balance at March 31, 2023	1,143,385	\$ 11,308,027	\$ 3,760,237	\$ (22,714,479)	\$ (126,647)	\$ (7,772,862)
Net income and comprehensive income for the period	-	-	-	7,474,744	20,603	7,495,347
Shares issued to settle liabilities	1,029,057	128,631	-	-	-	128,631
Share based compensation	-	-	3,577	-	-	3,577
Balance at June 30, 2023	2,172,442	11,436,658	3,763,814	(15,239,735)	(106,044)	(145,307)
Balance at March 31, 2024	4,042,442	\$ 11,521,066	\$ 3,765,828	\$ (15,510,715)	\$ -	\$ (223,821)
Net loss and comprehensive loss for the period	-	-	-	(70,087)	-	(70,087)
Shares issued to settle liabilities	1,874,998	112,500	-	-	-	112,500
Shares issued to settle loan	1,332,220	73,272	-	-	-	73,272
Balance at June 30, 2024	7,249,660	\$ 11,706,838	\$ 3,765,828	\$ (15,580,802)	\$ -	\$ (108,135)

See accompanying notes to the condensed interim financial statements

Veji Holdings Ltd.
Condensed Interim Statements of Cash Flows
For the three months ended June 30, 2024 and June 30, 2023
(Expressed in Canadian dollars) (unaudited)

	<u>Three months ended</u>	
	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Operating activities		
Net income/(loss) for the period	\$ (70,087)	\$ 7,474,744
Items not requiring an outlay of cash:		
Share based compensation	-	3,577
Gain on derecognition of financial liabilities	-	(7,651,477)
Net change in non-cash working capital balances:		
Accounts receivable	(1,513)	(4,363)
Prepaid expenses	(20,561)	(983)
Accounts payable and accrued liabilities	37,265	119,196
Cash used in operating activities	<u>(54,896)</u>	<u>(59,305)</u>
Financing activities		
Repayments of loans and borrowings	-	(2,624)
Cash provided by financing activities	<u>-</u>	<u>(2,624)</u>
Decrease in cash during the period	(54,896)	(61,929)
Effect of exchange rate changes on cash	-	20,604
Cash, beginning of period	61,318	58,793
Cash, end of period	<u>\$ 6,422</u>	<u>\$ 17,468</u>
Non-cash transactions		
Issuance of shares to settle liabilities	112,500	128,631
Issuance of shares to settle loan	73,272	-

See accompanying notes to the condensed interim financial statements

Veji Holdings Ltd.
Notes to the Condensed Consolidated Interim Financial Statements
For the three months ended June 30, 2024 and June 30, 2023
(Expressed in Canadian dollars) (unaudited)

1. REPORTING COMPANY

Veji Holdings Ltd. ("Veji" or the "Company") was incorporated on July 30, 2019 under the Business Corporations Act of British Columbia. During 2022, the Company ceased its principal business activity of providing a digital marketplace which offered thousands of plant-based and sustainable living products directly to consumers from a wide array of brands. The Company is currently evaluating its strategic alternatives which includes the identification and evaluation of potential acquisitions of assets and/or businesses.

The Company's registered office is located at 905 West Pender Street, 6th Floor, Vancouver, British Columbia, V6C 1L6. Beginning on November 10, 2021, the Company became listed on the Canadian Securities Exchange and trades under the symbol VEJI.

2. BASIS OF PRESENTATION

Statement of compliance

These condensed interim financial statements of the Company have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"). These condensed interim financial statements do not include all of the disclosures required for annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") and should be read in conjunction with the audited financial statements of the Company for the fifteen months ended March 31, 2024.

These condensed interim financial statements of the Company were approved by the Board of Directors ("Board") on August 26, 2024.

Basis of measurement

These condensed interim financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value.

Functional and presentation currency

These condensed interim financial statements are presented in Canadian dollars, which is the functional currency of the Company.

Going concern

These condensed interim financial statements have been prepared on a going concern basis, which assumes the Company will be able to realize its assets and settle its liabilities in the normal course of business. The nature of the Company's commencement of operations resulted in significant expenditures for setting up the operations to scale for a large volume of transactions. The eventual generation of profit was dependent upon several factors including expanding into various markets, the ability of the Company to obtain financing to support growth and scale of operations, and to continue to meet working capital and operating cash flows.

To date, the Company has not generated positive cash flows from operations. As at June 30, 2024 the Company had an accumulated deficit of \$15,580,802 and working capital deficiency of \$108,135. These conditions give rise to a material uncertainty that may cast a significant doubt on the Company's ability to continue as a going concern.

Veji Holdings Ltd.
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The Company's ability to continue as a going concern is dependent upon its ability to obtain additional funding from loans or equity financings provided by the Company's existing shareholders and/or new shareholders or through other arrangements. There is no assurance that the Company will be successful in this regard. These events and conditions indicate a material uncertainty that may cast a significant doubt on the Company's ability to continue as a going concern.

These condensed interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption deemed to be inappropriate. These adjustments could be material.

Critical accounting estimates and judgments

The preparation of the Company's condensed interim financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income, expenses, and accompanying disclosures. Actual results may differ from these estimates. Estimates and underlying assumption are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty are the same as those applied to the Company's audited financial statements for the fifteen months ended March 31, 2024.

Share consolidation

On February 1, 2024, the Company completed a one-for-twenty-five share consolidation of all outstanding common shares. Shares reserved under the Company's equity and incentive plans were adjusted to reflect the share consolidation. All share and per share data presented in the Company's condensed interim financial statements have been retroactively adjusted to reflect the share consolidation unless otherwise noted.

3. SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies applied in these condensed interim financial statements are the same as those applied to the Company's audited financial statements for the fifteen months ended March 31, 2024.

4. ACCOUNTS RECEIVABLE

Accounts receivable consist of:

	June 30, 2024	March 31, 2024
Government remittances receivable	\$ 16,594	\$ 15,081
	\$ 16,594	\$ 15,081

5. PREPAID EXPENSES AND DEPOSITS

Prepaid expenses and deposits consist of:

	June 30, 2024	March 31, 2024
Accounting retainer	\$ 20,000	\$ -
Prepaid software subscription	561	-
	\$ 20,561	\$ -

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6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of:

	June 30, 2024	March 31, 2024
Trade accounts payable	\$ 51,448	\$ 98,415
Accrued liabilities and other payables	74,012	102,280
	<u>\$ 125,460</u>	<u>\$ 200,695</u>

7. LOANS AND BORROWINGS

Below is a summary of loans and borrowings of the Company:

	June 30, 2024	March 31, 2024
Short-term debt:		
Due to related party (i)	26,252	26,252
Third party loan (ii)	-	73,273
Total short-term debt	<u>\$ 26,252</u>	<u>\$ 99,525</u>

- (i) The Company was advanced amounts totaling \$26,252 by a former director and greater than 10% shareholder of the Company. The advances are non-interest bearing and repayable on demand.
- (ii) On July 17, 2023, the Company entered into a non-interest bearing loan agreement for a term of the earlier of one year or the completion of a successful equity financing of \$250,000 or more. This loan was settled through the issuance of 1,332,220 common shares during the period ended June 30, 2024.

8. SHARE CAPITAL

The Company is authorized to issue an unlimited number of common shares without par value. As at June 30, 2024, there were 7,249,660 (March 31, 2024 – 4,042,442) common shares issued and outstanding.

Issued

On April 5, 2024, the Company settled an aggregate of \$112,500 in debt (the “Debt”) through the issuance of 1,874,998 common shares of the Company at a price of \$0.06 per share. All securities issued in connection with the Debt Settlement are subject to a statutory hold period of four months and one day from the date of issuance. \$65,000 of the Debt was held by companies wholly-owned by Amar Purewal and Ryan Hounjet, who are both directors of the Company.

On May 2, 2024, the Company settled a debt of \$73,273 owing to a creditor through the issuance of 1,332,220 common shares at a price of \$0.055 per common share.

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9. STOCK OPTION PLAN, WARRANTS AND ADVISOR OPTIONS

An employee stock option plan (the "Stock Option Plan") was established by the Company to attract and retain employees, consultants, officers and directors of the Company. The Stock Option Plan provides for the granting of options to purchase common shares of the Company. Under the Stock Option Plan, stock options generally vest over a period of two years and expire five years from the grant date. For the three months ended June 30, 2024, share based compensation expense of \$nil (2023 – \$3,577), was recorded in the Condensed Interim Statements of Income/(Loss) and Comprehensive Income/(Loss) in relation to the Stock Option Plan and Contributed Surplus.

The following table summarizes the continuity of the stock options during the three months ended June 30, 2024 and 2023:

	June 30, 2024		June 30, 2023	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding, beginning of period	98,750	\$ 31.66	98,750	\$ 31.66
Granted during period	-	-	-	-
Exercised during period	-	-	-	-
Forfeited during period	-	-	-	-
Outstanding, end of period	98,750	31.66	98,750	31.66
Exercisable, end of period	98,750	\$ 31.66	97,850	\$ 31.63

WARRANTS AND ADVISOR OPTIONS

The Company has outstanding share warrants and advisor options. Each warrant and advisor option is convertible into one common share of the Company upon exercise. The following table summarizes warrants and advisor options outstanding and exercisable:

Date of issuance	Date of expiry	Exercise price	June 30, 2024 outstanding and exercisable	June 30, 2023 outstanding and exercisable
September 2, 2020	September 2, 2025	\$ 15.00(a)	200,000	200,000
September 11, 2020	September 11, 2025	\$ 25.00(a)	100,000	100,000
July 6, 2021	July 6, 2023	\$ 35.00	-	6,220
November 1, 2021	November 1, 2023	\$ 50.00	-	61,054
February 23, 2024	August 23, 2025	\$ 0.05	170,000	-
			470,000	367,274

Veji Holdings Ltd.**Notes to the Condensed Consolidated Interim Financial Statements****For the three months ended June 30, 2024 and June 30, 2023****(Expressed in Canadian dollars) (unaudited)**

- (a) The exercise price of the warrants issued on September 2, 2020 increased to \$15.00 from \$0.10 and the exercise price of the warrants issued September 11, 2020 increased to \$50.00 from \$1.00 (collectively these warrants are referred to as the “2020 warrants”) upon the Company listing on a public stock exchange. Given the repricing terms of these 2020 warrants and the embedded derivative thereof, the Company estimated the fair value of these warrants (classified as financial liabilities at FVTPL) at grant date and at December 31, 2020 to be \$nil. At the point of completing a listing in November 2021, the Company remeasured the fair value of these warrants to be \$3,117,856 which was recorded as a loss on remeasurement of warrant liability within the statements of loss and comprehensive loss. Pursuant to the repricing adjustment, the Company determined that the 2020 warrants met the criteria for classification as equity instruments and accordingly, at December 31, 2021 \$3,117,856 has been reclassified within contributed surplus. The fair value of the 2020 warrants was remeasured using the Black-Scholes Option Pricing model, with the following estimated inputs: risk free rate of interest of 1.36%, expected volatility of 54.11% and expected life of 4 years.
- (b) The weighted average exercise price of warrants and advisor options outstanding at the end of the period ended June 30, 2024 and June 30, 2023 was \$11.72 and \$23.88, respectively.

10. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses are comprised of the following for the three months ended:

	June 30, 2024	June 30, 2023
Compensation and contract services	\$ -	\$ 2,100
Professional services	67,010	66,264
Share based compensation	-	3,577
Software and IT expenses	63	1,476
Insurance	-	-
Licenses, dues and subscriptions	2,625	2,246
Rent and lease	-	-
Depreciation and amortization	-	-
Other	388	1,682
	<u>\$ 70,087</u>	<u>\$ 77,345</u>

11. BASIC AND DILUTED LOSS PER SHARE

The calculation of basic and diluted net income per share for the three months ended June 30, 2024 was based on the net loss attributable to common shareholders of \$70,087 (2023 – net income \$7,474,744) and the basic and diluted weighted average number of common shares outstanding of 6,713,409 (2023 – 1,889,726).

12. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties and related party transactions are summarized below and include transactions with the following individuals or entities:

Key management compensation

Key management personnel, including companies controlled by them, are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

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Remuneration attributed to key management personnel is summarized as follows for the period ended:

	June 30, 2024	June 30, 2023
Management wages	\$ -	\$ -
Consulting fees	30,500	-
Share based compensation	-	1,579
	<u>\$ 30,500</u>	<u>\$ 1,579</u>

As at June 30, 2024, the Company owed Kory Zelickson, a greater than 10% shareholder and former Chief Executive Officer and former director a total of \$26,252 for funds advanced by Mr. Zelickson. The Company owes two directors a total of \$3,250 and the Chief Financial Officer at total of \$20,000 for services provided.

13. CAPITAL MANAGEMENT

The Company's objectives in managing its capital are as follows:

- To safeguard its ability to continue as a going concern; and
- To have sufficient capital to be able to meet its strategic objectives including the continued expansion of its services offerings and locales.

The Company's primary source of capital is derived from debt and equity issuances. Capital consists of equity attributable to common shareholders.

The Company has no externally imposed capital requirements and manages its capital structure in accordance with its strategic objectives and changes in economic conditions. In order to maintain or adjust its capital structure, the Company may issue new shares in the form of private placements and/or secondary public offerings. There has been no change in the Company's approach to capital management during the period ended June 30, 2024.

14. FINANCIAL INSTRUMENTS

Carrying value and fair value

The Company's financial instruments comprise cash, short term investments, accounts receivable, amounts due from related party, loans and borrowings, accounts payable and accrued liabilities and amounts due to related parties.

Financial instruments recognized at fair value on the statement of financial position are classified in fair value hierarchy levels as follows:

- Level 1: Valuation based on unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2: Valuation techniques based on inputs other than Level 1 quoted prices that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices)
- Level 3: Valuation techniques with unobservable market inputs (involves assumptions and estimates by management).

Cash, short-term investments, accounts receivable and amounts due from related party are recorded at amortized cost.

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Accounts payable and accrued liabilities and amounts due to related parties are classified as other financial liabilities and are recorded at amortized cost.

Fair value

The carrying amounts of cash, accounts receivable, amounts due from and due to related parties, loans and borrowings, accounts payable and accrued liabilities do not materially differ from their fair values given their short-term period to maturity.

15. RISK MANAGEMENT AND LIQUIDITY

The Company's activities expose it to a variety of financial risks, including foreign exchange risk, credit risk and interest rate risk.

Credit risk

Credit risk is the risk of economic loss arising from a counterparty's failure to repay or service debt according to the contractual terms. Financial instruments that potentially subject the Company to credit risk consist of cash.

The carrying amount of the Company's financial assets represents the Company's maximum exposure to credit risk. The Company manages credit risk by placing cash and short-term investments with major Canadian financial institutions. The Company manages credit risk of its accounts receivable by only extending credit to creditworthy customers. Management believes the credit risk is low.

Interest Rate Risk

Interest rate risk is the risk that cash flows will fluctuate due to changes in market interest rates. While the Company's financial assets are generally not exposed to significant interest rate risk because of their short-term nature, changes in interest rates will have a corresponding impact on interest income realized on such assets.

The Company's financial liabilities are not exposed to significant interest rate risk because they are either non interest bearing or carry a fixed interest rate. Changes in interest rates will not have a corresponding impact on interest expense incurred on such liabilities.

Liquidity Risk

Liquidity risk arises from the Company's general and capital financing needs. The Company continuously monitors and reviews both actual and forecasted cash flows and matches the maturity profile of financial assets and liabilities, when feasible.