EV Technology Group Ltd.

CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2025 and 2024

(Expressed in United States dollars)

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders EV Technology Group Ltd.

Opinion

We have audited the consolidated financial statements EV Technology Group Ltd. (the "Company"), which comprise:

- the consolidated statements of financial position as at December 31, 2025 and 2024;
- the consolidated statements of operations and comprehensive income (loss) for the years then ended;
- the consolidated statement of changes in shareholders' deficiency for the years then ended;
- the consolidated statement of cash flows for the years then ended; and
- the notes to the financial statements, including a summary of material accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2025 and 2024, and the financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

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 Financial Statements* section of our report.
We are independent of the company in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw your attention to Note 1 in the financial statements, which indicates that the company had an accumulated deficit as at December 31, 2025, and has a need for equity capital and financing for working capital and development of future projects. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 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 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 company'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 company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statement. We are responsible for direction, supervision and review of the audit work performed for the 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. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

The engagement partner on the audit resulting in this independent auditor's report is George G. Lovrics.

TZR LLP

Markham, Ontario
July 31, 2026

Chartered Professional Accountants
Licensed Public Accountants

EV Technology Group Ltd.

Consolidated Statements of Financial Position

(Expressed in United States Dollars)

As at:	Note		December 31, 2025		December 31, 2024
ASSETS					
Current					
Cash		$	338,018	$	42
Amounts receivable	4		-		881,325
Prepaid expenses			36,480		-
Total current assets		$	374,498	$	881,367
Loan to Moke International Limited	4		-		3,876,246
Total assets		$	374,498	$	4,757,613
LIABILITIES					
Current					
Accounts payable and accrued liabilities	6	$	282,544	$	4,696,338
Loans payable	5		-		1,207,247
Total current liabilities			282,544		5,903,585
Long term					
Long term debt	6	$	733,743	$	-
Total liabilities			733,743		-
SHAREHOLDERS' DEFICIENCY					
Share capital	7(b)		27,665,767		27,665,767
Contributed surplus	7(c)		3,688,182		4,477,237
Accumulated other comprehensive income			(249,823)		(23,422)
Deficit			(31,745,915)		(33,265,554)
Total shareholders' deficiency			(641,789)		(1,145,972)
Total liabilities and shareholders' deficiency		$	374,498	$	4,757,613

Going concern (Note 1)
Commitments and contigencies (Note 10)

Approved on behalf of the Directors:

"Kenny Choi"
Director

"Aaron Atin"
Director

See accompanying notes to the consolidated financial statements

EV Technology Group Ltd.

Consolidated Statements of Operations and Comprehensive Income (Loss)

(Expressed in United States Dollars)

	Notes	For the year ended December 31, 2025	For the year ended December 31, 2024
Sales		$ -	$ -
Expenses			
Wages, salaries and consulting fees	11	590,011	353,324
Professional fees		368,179	(43,470)
Office costs		2,958	21,042
Shareholder communications		-	3,728
Share-based compensation	7(c),11	38,406	22,492
Total expenses		999,554	357,116
(Loss) before other items		(999,554)	(357,116)
Accretion income	4	(117,792)	(417,941)
Interest income	4	(73,973)	(301,296)
Interest expense		38,838	130,748
Foreign exchange (gain) loss		(83,365)	287,552
Loss on loan	4	1,649,336	-
Gain on loss of control of subsidiary		-	(205,993)
Gain on settlement of liabilities		(2,922,992)	(15,000)
Gain on derecognition of liabilities		(181,784)	-
Net income for the year		$ 692,178	$ 164,814
Other comprehensive income			
Foreign currency translation loss (gain)		226,401	(483,863)
Net income and comprehensive income for the year		$ 465,777	$ 648,677
Weighted average number of shares outstanding - basic and diluted		110,048,050	110,048,050
Basic and diluted income (loss) per share		$ 0.01	$ 0.00

See accompanying notes to the consolidated financial statements

EV Technology Group Ltd.

Consolidated Statements of Shareholders' Deficiency

(Expressed in United States Dollars)

	Notes	Common Shares		Shares to be issued	Contributed Surplus	Accumulated Other Comprehensive Income	Accumulated Deficit	Shareholders' Deficiency
		#	$	$	$	$	$	$
Balance, December 31, 2023		110,048,050	27,665,767	-	5,938,661	(507,285)	(34,914,284)	(1,817,141)
Option vesting	7(c)	-	-	-	(46,881)	-	-	(46,881)
Option expiry	7(c)	-	-	-	(1,483,916)	-	1,483,916	-
Deferred share units	7(c)	-	-	-	69,373	-	-	69,373
Other comprehensive Income		-	-	-	-	483,863	-	483,863
Net income for the year		-	-	-	-	-	164,814	164,814
Balance, December 31, 2024		110,048,050	27,665,767	-	4,477,237	(23,422)	(33,265,554)	(1,145,972)
Option vesting	7(c)	-	-	-	38,406	-	-	38,406
Deferred share units cancelled	7(c)	-	-	-	(827,461)	-	827,461	-
Other comprehensive loss		-	-	-	-	(226,401)	-	(226,401)
Net income for the year		-	-	-	-	-	692,178	692,178
Balance, December 31, 2025		110,048,050	27,665,767	-	3,688,182	(249,823)	(31,745,915)	(641,789)

See accompanying notes to the consolidated financial statements

EV Technology Group Ltd.

Consolidated Statements of Cash Flows

(Expressed in United States Dollars)

	Notes	For the year ended December 31, 2025	For the year ended December 31, 2024
OPERATING ACTIVITIES			
Net income		$ 692,178	$ 164,814
Items not involving cash:			
Share-based compensation	7	38,406	22,492
Accretion income	4	(117,792)	(417,941)
Interest expense		38,505	130,748
Gain on settlement and derecognition of liabilities		(3,104,776)	(15,000)
Impairment	4	1,649,336	-
Other adjustment		(15,000)	(20,430)
Gain on loss of control of subsidiary		-	(205,993)
		(819,143)	(341,310)
Non-cash working capital:			
Amounts receivable		(73,973)	(300,822)
Prepaid expenses		(36,480)	63,735
Accounts payables and accrued liabilities		(870,955)	105,353
Net cash flows from operating activities		(1,800,551)	(473,044)
FINANCING ACTIVITIES			
Loan repayments	5	(944,982)	-
Net cash flows from financing activities		(944,982)	-
INVESTING ACTIVITIES			
Proceeds from loan settlement from Moke International Limited	4	3,300,000	-
Net cash flows from investing activities		3,300,000	-
Effect of exchange rate changes on cash		(216,491)	472,773
CHANGE IN CASH DURING THE PERIOD		337,976	(271)
CASH, beginning of the year		42	313
CASH, end of the year		$ 338,018	$ 42

See accompanying notes to the consolidated financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

EV Technology Group Ltd. (the "Company" or "EVTG") is a company with a registered office address of 198 Davenport Road, Toronto, Ontario, M5R 1J2. The Company's common shares previously traded on the Cboe Canada Inc. (formerly Neo Exchange Inc.) ("Cboe Canada") under the symbol "EVTG", the OTC Markets Group Inc. ("OTCQB") under the symbol "EVTGF" and on the Frankfurt Exchange under the symbol "B96A". The Company was de-listed from all public exchanges on May 16, 2024.

On April 7, 2022, the Company completed a reverse takeover transaction with EV Experiences Inc. (formerly EV Technology Group Inc.) ("EVT"). On April 22, 2022, EV Technology Group (UK) Limited was incorporated and on September 29, 2022, the Company completed the acquisition of 1000310362 Ontario Inc. On October 1, 2024, EV Technology Group (UK) Limited was dissolved.

These consolidated financial statements are prepared on a going concern basis which assumes the Company will be able to meet its obligations and continue its operations for the next fiscal year.

As at December 31, 2025, the Company has a cash balance of $338,018 (December 31, 2024 - $42), working capital of $91,954 (December 31, 2024 – working capital deficit of $5,022,218) and an accumulated deficit of $31,745,915 (December 31, 2024 - $33,265,554). The Company has a need for equity capital and financing for working capital and development of future projects. In addition, EV Technology Group (UK), a subsidiary of the Company, was dissolved on October 1, 2024. These matters represent material uncertainties that cast doubt about the ability of the Company to continue as a going concern. The Company's continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operations. Management believes it will be successful in raising the necessary funding to continue operations in the normal course of operations, however, there is no assurance that funds will continue to be available on terms acceptable to the Company or at all. The financial statements do not reflect adjustments to the carrying value of assets and liabilities that would be necessary should the Company be unable to continue operations and such adjustments could be material.

2. BASIS OF PRESENTATION

a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), effective for the year ended December 31, 2025. The Board of Directors approved these financial statements for issue on July 31, 2026.

b) Basis of preparation

These financial statements were prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The Company's consolidated financial statements are presented in United States dollars. The functional currency for the Company and 1000310362 Ontario Inc. is the Canadian dollar ("CAD"). The functional currency of EV Experiences Inc. is the United States dollar. The functional currency of EV Technology Group (UK) Limited is the UK pound sterling ("GBP").

2. BASIS OF PRESENTATION (continued)

b) Basis of preparation (continued)

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Gains and losses are included in operations.

Financial statements of subsidiaries for which the functional currency is not the United States dollar are translated into United States dollars as follows: all asset and liability accounts are translated at the period end exchange rate and all earnings and expense accounts and cash flow statement items are translated at average exchange rates for the period. The resulting translation gains and losses are recorded as exchange differences on translating foreign operations in Accumulated Other Comprehensive Income ("AOCI").

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

c) Basis of consolidation

Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect these returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are deconsolidated from the date control ceases. The consolidated financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions. These consolidated financial statements for the year ended December 31, 2025 comprise the financial statements of the Company and its wholly owned subsidiaries EV Experiences Inc., EV Technology Group (UK) Limited (up to its date of dissolution of October 1, 2024) and 1000310362 Ontario Inc. All material intercompany transactions and balances between the Company and its subsidiaries have been eliminated on consolidation. Intercompany balances and any unrealized gains and losses or income and expenses arising from intercompany transactions are eliminated in preparing the consolidated financial statements.

3. MATERIAL ACCOUNTING POLICIES

a) Significant accounting judgements, estimates and assumptions

The preparation of the financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. The significant areas of estimation and uncertainties considered by management in preparing the financial statements include:

3. MATERIAL ACCOUNTING POLICIES (continued)

a) Significant accounting judgements, estimates and assumptions (continued)

Critical judgement in applying accounting policies:

- Income taxes, value added, withholding and other taxes
  The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

- Business combination versus asset acquisition
  Judgment is used in determining whether an acquisition is a business combination or an asset acquisition. In a business combination, all identifiable assets and liabilities acquired are recorded at their fair values. In determining the allocation of the purchase price in a business combination, including any acquisition related contingent consideration, estimates including market based and appraisal values are used. The contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. The Company has assessed that its acquisitions of 1000310362 Ontario Inc. and the reverse takeover transaction with EV Experiences Inc. did not constitute business acquisitions in accordance with IFRS 3 and treated the acquisitions as asset acquisitions.

- Share-based payments
  The Company uses the Black-Scholes option pricing model to fair value options in order to calculate share-based compensation expense. The Black-Scholes model involves six key inputs to determine the fair value of an option: risk-free interest rate, exercise price, market price of the Company's shares at date of issue, expected dividend, yield, expected life, and expected volatility. Certain inputs are estimates which involve considerable judgment and are, or could be, affected by factors that are out of the Company's control.

- Contingencies

  Refer to Note 10.

b) Cash and cash equivalents

Cash and cash equivalents in the consolidated statements of financial position comprise cash at banks and on hand, and short term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash.

3. MATERIAL ACCOUNTING POLICIES (continued)

c) Financial instruments

Financial assets

Initial recognition and measurement
Non-derivative financial assets within the scope of IFRS 9, Financial Instruments ("IFRS 9") are classified and measured as "financial assets at fair value", as either fair value through profit or loss ("FVPL") or fair value through other comprehensive income ("FVOCI"), and "financial assets at amortized costs", as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company's business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Initial recognition and measurement (continued)
Financial assets with embedded derivatives are considered in their entirety when determining their classification at FVPL or at amortized cost. Cash, amounts receivable and loan receivable are measured at amortized cost.

Subsequent measurement – financial assets at amortized cost
After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR.

Subsequent measurement – Financial assets at FVPL
Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the statements of financial position with changes in fair value recognized in other income or expense in the statements of operations. The Company does not measure any financial assets at FVPL.

Subsequent measurement – Financial assets at FVOCI
Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the statements of operations and comprehensive loss. When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Dividends from such investments are recognized in other income in the statements of operations and comprehensive loss when the right to receive payments is established.

Derecognition
A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

3. MATERIAL ACCOUNTING POLICIES (continued)

c) Financial instruments (continued)

Impairment of financial assets
The Company's only financial assets subject to impairment are receivables, which are measured at amortized cost. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, receivables have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

Financial liabilities

Initial recognition and measurement
Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities include accounts payable and accrued liabilities, lease liability and loans payable which are measured at amortized cost. All financial liabilities are recognized initially at fair value.

Subsequent measurement – financial liabilities at amortized cost
After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR.

Subsequent measurement – Financial liabilities at FVPL
Financial liabilities measured at FVPL include any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial liabilities are measured at FVPL are carried at fair value in the statements of financial position with changes in fair value recognized in other income or expense in the statements of operations. The Company does not value any financial liabilities at FVPL.

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired with any associated gain or loss recognized in other income or expense in the statements of operations.

d) Income taxes

Current income tax

Income tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit or loss as reported in the statement of operations because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3. MATERIAL ACCOUNTING POLICIES (continued)

d) Income taxes (continued)

Deferred income tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

e) Provisions

General

Provisions are recognised when (a) the Company has a present obligation (legal or constructive) as a result of a past event and (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and (c) a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current risk-free pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

f) Income (loss) per share

Income (loss) per share is based on the weighted average number of common shares of the Company outstanding during the period. The diluted income (loss) per share reflects the potential dilution of common share equivalents, such as outstanding share options and warrants, in the weighted average number of common shares outstanding during the period, if dilutive. No exercise or conversion is assumed during periods in which a net income (loss) is incurred as the effect is anti-dilutive.

3. MATERIAL ACCOUNTING POLICIES (continued)

g) Share-based payments

The Company records compensation cost associated with equity-settled share-based awards based on the fair value of the equity instrument at the date of grant. The fair value of stock options and warrants is determined using the Black-Scholes option pricing model. The fair value of DSUs is measured at the market value of the underlying shares, as estimated by management, on the date of grant. The compensation expense is recognized on a straight-line basis over the vesting period, if any, based on the estimate of equity instruments expected to vest. The estimate of options and DSUs expected to vest is revised at the end of each reporting period. When options or warrants are exercised, the proceeds received, together with any related amount in contributed surplus, is credited to share capital.

Future accounting policies

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2026. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not been adopted and are being evaluated to determine their impact on the Company's financial statements.

IAS IFRS 18 - Presentation and Disclosure in Financial Statements: In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements to improve reporting of financial performance. The new standard replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new categories and required subtotals in the statement of profit and loss and also requires disclosure of management-defined performance measures. It also includes new requirements for the location, aggregation, and disaggregation of financial information. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements. Retrospective application is required and early adoption is permitted. The Company is assessing the impacts to ensure that all information complies with the standard.

IFRS 9 - Financial Instruments and IFRS 7 Financial Instruments – Disclosures: In May 2024, the IASB issued amendments to IFRS 9 - Financial Instruments and IFRS 7 - Financial Instruments - Disclosures. The amendments clarify the derecognition of financial liabilities and introduce 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. The amendments are effective for annual periods starting on or after January 1, 2026. Retrospective application is required and early adoption is permitted. The Company is assessing the impacts to ensure that all information complies with the standard.

4. INVESTMENT IN AND LOAN TO MOKE INTERNATIONAL LIMITED

During 2021, the Company entered into an investment and loan agreement with Moke International Limited ("Moke"). The unsecured loan had a face value of $5,000,000 to Moke. Interest was accrued and calculated at 6% per annum, payable quarterly. Principal plus any outstanding accrued interest were due and payable on or before December 31, 2026. The loan included rights to certain shares of Moke.

The estimated fair value of the shares of Moke was estimated to be $2,232,000 based on a recent equity transaction completed by Moke.

4. INVESTMENT IN AND LOAN TO MOKE INTERNATIONAL LIMITED (continued)

The loan receivable was recorded at the residual value of $2,768,000 and was to be accreted to its face value over its term using an effective interest rate of 20%. Accretion income of $117,792 was recorded during the year ended December 31, 2025 (year ended December 31, 2024 - $417,941). In March 2025, The Company entered into an agreement with Moke International Limited for conversion of the loan principal plus any accumulated interest into shares in Moke International Limited. The agreement included agreement for the Company's subsidiary, EV Experiences Inc., to sell all of its existing shares plus all shares resulting from the conversion of the loan to a certain existing shareholders of Moke International Limited. On April 17, 2025, the Company received settlement for the sale of shares in Moke International Limited of $3,300,000. The Company paid $362,315 in legal costs in connection with the sale. A loss of $1,649,336 on the settlement of the loan and sale of the shares of Moke International Limited is included in loss on loan in the consolidated statements of loss and comprehensive loss. As at December 31, 2025, the net present value of the loan receivable was $nil (December 31, 2024 - $3,876,246).

As of December 31, 2025, the loan principal of $nil (December 31, 2024 - $5,000,000) plus accrued interest of $nil (December 31, 2024 - $881,325) was outstanding. Accrued interest has been included in amounts receivable. Wouter Witvoet, the former CEO and director of the Company, is a former director of Moke.

5. LOANS PAYABLE

On October 31, 2022, the Company entered into a loan agreement whereby the Company would borrow CAD$300,000 ($221,943) at an interest rate of 6% per year for the first three months and 10% thereafter. All interest accrued on the loan was due and payable on October 31, 2023. On May 13, 2025, the Company settled the balance of the loan payable of CAD$371,737 ($268,402) for CAD$188,498 ($136,100) and recorded a gain on settlement of the loan of CAD$183,239) $132,302. As at December 31, 2025, the balance of the principal and interest accrued was CAD$nil ($nil) (December 31, 2024 - CAD$361,874 ($251,494)).

On October 31, 2022, the Company entered into a loan agreement with a director of the Company whereby the Company would borrow $250,000 at an interest rate of 6% per year for the first three months and 10% thereafter. All interest accrued on the loan was due and payable on October 31, 2023. On April 28, 2025, the Company settled the outstanding balance of the loan of $308,493 for $138,883 and recognized a gain on the settlement of the loan of $169,610. As at December 31, 2025, the balance of the principal and interest accrued was $nil (December 31, 2024 - $300,411).

On December 5, 2022, the Company entered into a loan agreement with a consultant of the Company whereby the Company would borrow $500,000 at an interest rate of 15% per year. All interest accrued on the loan was due and payable 90 days from the date of the agreement. On April 28, 2025, the Company settled the balance of the loan outstanding of $678,767 for $670,000 and recognized a gain of $8,787 on the settlement. As at December 31, 2023, the balance of the principal and interest accrued was $nil (December 31, 2024 - $655,342).

On February 20, 2023, the Company entered into a loan agreement with the former CEO of the Company whereby the Company would borrow up to GBP£100,000 at an interest rate of 6% per year for the first three months and 10% thereafter. During the year ended December 31, 2023, the Company drew down GBP£88,401 ($108,936). All interest accrued on the loan was due and payable on October 31, 2023. During the year ended December 31, 2024, the Company wrote down the balance of the loan payable of GBP£101,011 ($134,234) on the dissolution of EV Technology Group (UK). As at December 31, 2025, the balance of the principal and interest accrued was $nil (December 31, 2024 - $nil).

(Expressed in United States dollars)

6. LONG TERM DEBT

During the year ended December 31, 2025, the Company reclassed certain of its accounts payable that are statute barred to reflect the long-term nature of the liabilities. These balances relate to obligations that are considered statute-barred under the applicable limitation legislation. As management considers the likelihood of settlement to be remote, the liabilities are no longer expected to be settled within the normal operating cycle and have therefore been presented as long-term liabilities in the statement of financial position. The reclassification had no impact on the total liabilities or the results of operations for the year.

7. SHARE CAPITAL

a) Authorized

Unlimited number of voting common shares, without par value

b) Issued and outstanding common shares

As at December 31, 2025, there were 110,048,050 common shares of the Company issued and outstanding.

There were no common share transactions during the years ended December 31, 2025 and 2024.

b) Contributed surplus

The continuity of share-based payments reserve activity during the years was as follows:

	Year ended December 31, 2025	Year ended December 31, 2024
Balance, beginning of the year	$ 4,477,237	$ 5,938,661
Option vesting	38,406	(46,881)
Options cancelled	-	(1,483,916)
Vesting of DSUs	-	69,373
DSUs cancelled	(827,461)	-
Balance, end of the year	**$ 3,688,182**	**$ 4,477,237**

Options

The Company has granted options for the purchase of common shares to its directors, officers, consultants and employees. The aggregate number of shares that may be issuable pursuant to options granted under the Stock Option Plan will not exceed 10% of the issued common shares of the Company at the date of grant. No more than 5% of the issued shares of the Company may be granted to any one optionee, and no more than 2% of the issued shares of the Company may be granted to any one consultant or person engaged in investor relations activities in any 12 month period. The options are non-transferable and non-assignable and may be granted for a term not exceeding five years. The exercise price of the options may not be less than the market price of the common shares of the Company at the time of the option grant.

(Expressed in United States dollars)

7. SHARE CAPITAL (continued)

c) Contributed surplus (continued)

On April 12, 2022, the Company granted a total of 9,750,000 stock options to certain directors, officers, and consultants of the Company pursuant to the Company's stock option plan. Each stock option may be exercised at a price of CAD$1 per option for a period of five years from the date of grant. The fair market value of the options was estimated to be $5,032,417 using the Black Scholes option pricing model based on the following assumptions: risk free rate of 2.52%, expected volatility of 79.84%, based on the historical volatility of comparable companies, an estimated life of 5 years and an expected dividend yield of 0%. 8,150,000 of the options vest over 24 months with the first instalment vesting 6 months from the date of grant, 1,000,000 of the options vest over 18 months with the first instalment vesting 6 months from the date of grant, 25,000 options vest one year from the date of grant, 25,000 vest in 4 equal instalments every 3 months, 25,000 vest when 30 Moke vehicles are sold, 250,000 options vest in equal monthly instalments over 24 months with the first instalment vesting 6 months from the date of grant if 300 Moke vehicles were sold by December 31, 2022 and 250,000 options vest over 24 months with the first instalment vesting 6 months from the date of grant. 25,000 of the options were cancelled as the vesting condition of the sale of 25 Mokes before June 1, 2022 was not met and 250,000 had their vesting condition of 300 Moke vehicles sold by December 31, 2022 waived. During the year ended December 31, 2024, 3,500,000 of the options were cancelled, unexercised. The grant date fair value of the options is amortized over the vesting period. During the year ending December 31, 2025, the Company expensed $nil (year ended December 31, 2024- recovery of $118,646) in share-based compensation related to the vesting of these options.

On April 13, 2022, the Company granted a total of 705,000 stock options to certain officers, and consultants of the Company pursuant to the Company's stock option plan. Each stock option may be exercised at a price of CAD$2 per option for a period of seven years from the date of grant. The fair market value of the options was estimated to be $352,027 using the Black Scholes option pricing model based on the following assumptions: risk free rate of 2.51%, expected volatility of 79.84%, based on the historical volatility of comparable companies, an estimated life of 7 years and an expected dividend yield of 0%. The options vest over 48 months with the first instalment vesting one year from the date of grant. The grant date fair value of the options is amortized over the vesting period. During the year ending December 31, 2025, the Company expensed $38,406 (year ended December 31, 2024 - $71,765) in share-based compensation related to the vesting of these options.

A summary of option transactions during the years were as follows:

	Number of stock options	Weighted average exercise price (CAD$)
Balance, December 31, 2023	7,930,000	1.09
Cancelled	(3,500,000)	1.00
Balance, December 31, 2025 and 2024	4,430,000	1.16

(Expressed in United States dollars)

7. SHARE CAPITAL (continued)

c) Contributed surplus (continued)

Options (continued)

As at December 31, 2025, the following options were outstanding:

Exercise price (CAD$)	Options outstanding	Options exercisable	Expiry date	Weighted average grant date fair value vested	Weighted average remaining life in years
1.00	3,725,000	3,725,000	April-12-27	1,922,642	1.28
2.00	705,000	484,688	April-13-29	337,038	3.28
Total	4,430,000	4,209,688		$ 2,259,680	1.60

Deferred share units

On April 7, 2022, the Company adopted a deferred share unit ("DSU") plan (the "DSU Plan"). The plan provides for the grant of DSUs to employees, officers or directors of the Company and allows the Company the ability to issue common shares from treasury for each DSU held on the vesting date as determined by the board on the date of grant. The aggregate number of shares that may be issuable pursuant to DSUs granted under the Company's DSU Plan will not exceed 5% of the issued common shares of the Company at the date of grant. Once vested, each DSU is exercisable by the holder into one common share of the Company for no additional consideration.

On April 18, 2022, the Company granted 4,800,000 DSUs to directors, officers and consultants of the Company. 4,250,000 of the DSUs vest in equal monthly instalments over 24 months, with the first instalment vesting 6 months from the date of grant, 250,000 DSUs vest in equal monthly instalments over 24 months with the first instalment vesting 6 months from the date of grant on the condition that 300 Moke electric vehicles are sold by December 31, 2022 and 300,000 of the DSUs vest in 4 equal instalments every 6 months with the first instalment vesting 6 months from the date of grant. 250,000 DSUs had the vesting condition of the sale of 300 Moke vehicles by December 31, 2022 waived. The estimated fair value of the DSUs on the date of grant was determined to be CAD$4,800,000 ($3,804,089) based on the price of the subscription receipts issued by the Company on March 15, 2022 and March 25, 2022. The grant date fair value of the DSUs is amortized over the expected vesting periods. During the year ended December 31, 2025, the Company expensed $nil (year ended December 31, 2024 - $69,373) in share-based compensation related to the vesting of these DSUs. During the year ended December 31, 2023, 150,000 of the DSUs were exercised for 150,000 common shares of the Company. During the year ended December 31, 2025, 1,000,000 (year ended December 31, 2023, 1,150,000 and year ended December 31, 2022, 1,250,000) of these DSUs were cancelled, unvested.

On May 5, 2022, the Company granted 250,000 DSUs to a consultant of the Company. 25% of the DSUs vest six months from the date of grant and 75% vest in equal monthly instalments until the date that is 24 months from the date of grant. The estimated fair value of the DSUs on the date of grant was determined to be CAD$300,000 ($233,973) based on the closing price of the Company's shares on the date of grant. The grant date fair value of the DSUs is amortized over the vesting periods. During the year ended December 31, 2025, the Company expensed $nil (year ended December 31, 2024 - $nil) in share-based compensation related to the vesting of these DSUs.

(Expressed in United States dollars)

7. SHARE CAPITAL (continued)

c) Contributed surplus (continued)

Deferred share units (continued)

On November 30, 2022, the Company granted 1,250,000 DSUs to a director and a consultant of the Company. The DSUs vested immediately on the date of grant. The estimated fair value of the DSUs on the date of grant was determined to be CAD$425,000 ($314,628) based on the closing price of the Company's shares on the date of grant. On December 16, 2022, 500,000 of these DSUs were exercised.

On February 14, 2023, the Company granted 50,000 DSUs to a consultant of the Company. The DSUs vested immediately on the date of grant. The estimated fair value of the DSUs on the date of grant was determined to be CAD$7,500 ($5,620) based on the closing price of the Company's shares on the date of grant.

On March 21, 2023, the Company granted 868,400 DSUs to a director and consultants of the Company. The DSUs vested immediately on the date of grant. The estimated fair value of the DSUs on the date of grant was determined to be CAD$112,892 ($82,367) based on the closing price of the Company's shares on the date of grant. On April 28, 2023, 400,000 of these DSUs were exercised for 400,000 common shares of the Company. On April 30, 2025, 368,400 DSUs were cancelled, unexercised.

A summary of DSU transactions during the years were as follows:

Balance, December 31, 2023 and 2024	3,768,400
Cancelled	(1,368,400)
Balance, December 31, 2025	2,400,000

Of the 2,400,000 DSUs outstanding, 2,400,000 are exercisable.

8. CAPITAL MANAGEMENT

The Company considers its capital structure to consist of share capital. The Company manages its capital structure and makes adjustments based on the funds available to support the development of its operations. The board of directors has not established quantitative return on capital criteria for management and relies on the expertise of management and the board of directors to sustain future development of the business.

The Company is dependent upon external financing to fund its activities. To continue to carry out the Company's planned development and funding of ongoing administrative expenses the Company will utilize its existing working capital and will raise additional capital as appropriate.

The management and board of directors of the Company review its capital management approach on an ongoing basis and believe it reflects a reasonable approach given the relative size of the Company's assets. There were no changes to the approach of management and the board of directors to capital management for the years ended December 31, 2025 or 2024. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body.

(Expressed in United States dollars)

9. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks summarized below. There have been no significant changes in risks, objectives, policies and procedures for managing risks during the year ended December 31, 2025.

Fair value hierarchy

The three levels of the fair value hierarchy with respect to required disclosures about the inputs to fair value measurements are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and,
- Level 3 – Inputs that are not based on observable market data.

The Company does not measure any financial instruments at fair value that require classification within the hierarchy.

The carrying value of amounts receivable and accounts payable and accrued liabilities, and loans payable reflected in the statement of financial position approximate fair value because of the relatively short-term maturities.

Foreign currency risk

Foreign currency risk is created by fluctuations in the fair value or cash flows of financial instruments due to changes in foreign exchange rates and exposure as a result investment in foreign subsidiaries. The Company's foreign currency risk arises primarily with respect to the Canadian dollar, European Euro and the UK Pound Sterling. Fluctuations in the exchange rates between these currencies and the US dollar could have an impact on the Company's business and results of operations. The Company has not used derivative instruments to reduce its exposure to foreign exchange fluctuations.

The following summary illustrates the fluctuations in the exchange rates applied during the year ended December 31, 2025 and the year ended December 31, 2024:

2025	**Average rate**	**Closing rate**
CAD	1.3978	1.3706
EUR	1.1717	1.1750
GBP	1.3186	1.3451

2024	**Average rate**	**Closing rate**
CAD	1.3698	1.4389
EUR	1.0812	1.0389
GBP	1.2783	1.2529

A $0.01 strengthening or weakening of the US dollar against any of these currencies at December 31, 2025 would result in an increase or decrease in net loss of approximately $2,022 and an increase or decrease in other comprehensive income of approximately $11,870.

9. FINANCIAL RISK MANAGEMENT (continued)

Credit risk

Credit risk is the risk associated with the inability of a third party to fulfill its payment obligations. The Company is exposed to the risk that third parties that owe it money will not perform their underlying obligations. The total carrying value of these financial instruments at December 31, 2025 was $nil (December 31, 2024 - $3,876,246) and the face value was $5,000,000 plus accrued interest of $nil (December 31, 2024 - $881,325). The Company mitigates its credit risk by only providing loans to entities where they have detailed knowledge of the entity's operations and business strategy. During the year ended December 31, 2025, the Company settled this financial instrument. See Note 4.

Liquidity risk

As at December 31, 2025, the Company had working capital of $91,954 (December 31, 2024 – working capital deficiency of $5,022,218). In addition, EV Technology Group (UK) was dissolved October 1, 2024. The Company expects to realize its assets and complete future equity or other debt financings, as required and available. However, there is no assurance that the Company will be able to realize its assets in order to pay its liabilities or that funds from financing will be available on terms acceptable to the Company or at all.

10. COMMITMENTS AND CONTINGENCIES

The Company, from time to time, may be involved in various claims and legal proceedings. The Company cannot reasonably predict the likelihood or outcome of these activities. The Company does not believe that adverse decisions in any ending or threatened proceedings related to any matter, or any amount which may be required to be paid by reasons thereof, will have a material effect on the financial condition or future results of operations.

During the year ended December 31, 2025, the Company derecognized the liabilities balance of $181,784 in liabilities that were statute-barred under the applicable statute of limitations. Management is of the view that the statute-barred liabilities are unenforceable, do not give rise to any cash settlement obligation, and do not impact the Company's financial or working capital position. Settlement of the statute-barred liabilities in the amount of $181,784 is not considered likely and, accordingly, no amounts have been accrued in the financial statements.

11. RELATED PARTIES TRANSACTIONS

See Note 4 and 5.

(Expressed in United States dollars)

12. INCOME TAX

a) Provision for Income Taxes

Major items causing the Company's effective income tax rate to differ from the combined Canadian federal and provincial statutory rate of 26.5% (2024 – 26.5%) were as follows:

		2025	2024
		$	$
Income before income taxes		692,178	164,814
Expected income tax based on statutory rate	26.50%	183,427	43,676
Adjustment to expected income tax benefit			
Loss on loan		437,074	
Share- based compensation		10,178	5,960
Other		(31,215)	(110,754)
Change in benefit of tax assets not recognized		(599,464)	61,118
Deferred income tax provision (recovery)		-	-

b) Deferred Income Tax

Deferred tax liability have not been recognized in respect of the following temporary differences:

The follwoign table summarizes the components of the deferred tax assets

	2025	2024
Deferred tax balances	$	$
Non Captial loss carry- forwards	6,524,962	7,124,426
Net Capital losses	1,277,933	1,059,396
	7,802,895	8,183,822
Less: Deferred tax assets not recognized	7,802,895	8,183,822
Net deferred tax assets	-	-

As at December 31, 2025, the Company had a 100% valuation allowance against deferred income tax balances as it is not considered probable that sufficient future tax profit will allow the deferred tax assets to be realized.

(Expressed in United States dollars)

12. INCOME TAX (continued)

The Company's non-capital income tax losses of approximately $6,524,962 will expire as follows:

Year	$
2042	5,033,346
2043	1,260,981
2044	230,635
	6,524,962

13. SEGMENT INFORMATION

The Company has determined that it operates in a single reportable operating segment. This determination is based on the manner in which the Company's chief operating decision maker ("CODM") reviews operating results, allocates resources, and assesses performance. The Company's operations are managed and evaluated on a consolidated basis, and no discrete financial information is regularly reviewed for individual subsidiaries.

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. As at December 31, 2025, these comprised EV Experiences Inc. and 1000310362 Ontario Inc. EV Technology Group (UK) Limited was included in the consolidated financial statements up to the date of its dissolution on October 1, 2024.

Subsidiaries are entities over which the Company has control. Control exists when the Company is exposed to, or has rights to, variable returns from its involvement with an investee and has the ability to affect those returns through its power over the investee. Subsidiaries are consolidated from the date control is obtained and are deconsolidated from the date control ceases.

All intercompany balances, transactions, revenues, expenses, and unrealized gains and losses arising from transactions between the Company and its subsidiaries have been eliminated upon consolidation.

As the Company operates as a single reportable operating segment, no additional segment revenue, profit or loss, assets, or liabilities disclosures are required under IFRS 8, *Operating Segments*.