ADAGIO 2 CAPITAL INC.

Financial Statements

Year Ended July 31, 2025

Expressed in Canadian Dollars

Independent Auditor's Report

To the Shareholders of Adagio 2 Capital Inc.

Opinion

We have audited the financial statements of Adagio 2 Capital Inc. (the "Company"), which comprise the statements of financial position as at July 31, 2025 and 2024, and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the year ended July 31, 2025 and the period from incorporation on July 16, 2024 to July 31, 2024, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at July 31, 2025 and 2024, and its financial performance and its cash flows for the year ended July 31, 2025 and the period from incorporation on July 16, 2024 to July 31, 2024, in accordance with IFRS Accounting Standards 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 the 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 attention to Note 2 to the financial statements, which describes events or conditions that indicate 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 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 information included in 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, 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 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.

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 public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Rakesh Patel.

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

November 28, 2025

ADAGIO 2 CAPITAL INC.
Statements of Financial Position
As at July 31
(Expressed in Canadian dollars)

	Note	2025	2024
Assets			
Current assets			
Cash		$ 209,418	$ 150,000
Prepaid expense		2,275	-
Total assets		$ 211,693	$ 150,000
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities		$ 48,705	$ 15,023
Shareholders' equity			
Share capital	4	275,507	150,000
Reserves	4	52,695	-
Deficit		(165,214)	(15,023)
Total shareholders' equity		162,988	134,977
Total liabilities and shareholders' equity		$ 211,693	$ 150,000

Nature and continuance of operations (Note 1)

Approved by Directors:

"AZIM DHALLA"
Director

"CHRISTOPHER CHERRY"
Director

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

ADAGIO 2 CAPITAL INC.
Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

	Note		Year ended July 31, 2025		Period from incorporation on July 16, 2024 to July 31, 2024
Expenses					
General and administrative		$	95	$	-
Professional fees			85,348		15,023
Share-based payments	4		37,639		-
Transfer agent and filing fees			27,109		-
Net and comprehensive loss		$	(150,191)	$	(15,023)
Weighted average number of outstanding shares			3,268,493		1
Basic and diluted loss per share		$	(0.05)	$	(15,023)

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

ADAGIO 2 CAPITAL INC.
Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars)

		Share capital				
	Note	**Number**	**Amount**	**Reserves**	**Deficit**	**Total shareholders' equity**
July 16, 2024 – Date of incorporation		-	$ -	$ -	$ -	$ -
Shares issued for cash		3,000,000	150,000	-	-	150,000
Net loss for the period		-	-		(15,023)	(15,023)
Balance at July 31, 2024		3,000,000	150,000	-	(15,023)	134,977
Shares issued for cash, net	4	2,000,000	125,507	15,056	-	140,563
Net loss for the year		-	-	-	(150,191)	(150,191)
Share-based payments	4	-	-	37,639	-	37,639
Balance at July 31, 2025		5,000,000	$ 275,507	$ 52,695	$ (165,214)	$ 162,988

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

ADAGIO CAPITAL INC.
Statements of Cash Flows
(Expressed in Canadian dollars)

	Year ended July 31, 2025	Period from incorporation on July 16, 2024 to July 31, 2024
Cash provided by (used in):		
Operating activities		
Net loss	$ (150,191)	$ (15,023)
Item not affecting cash:		
Share-based payments	37,639	-
Changes in non-cash working capital items:		
Prepaid expense	(2,275)	-
Accounts payable and accrued liabilities	33,682	15,023
Cash used in operating activities	(81,145)	-
Financing activity		
Proceeds of issuance of shared capital, net	140,563	150,000
Cash provided by financing activity	140,563	150,000
Increase in cash	59,418	150,000
Cash, beginning	150,000	-
Cash, ending	**$ 209,418**	**$ 150,000**

Supplemental cash flow information

During the year ended July 31, 2025, included in share issuance costs were agent warrants valued at $15,056.

There were no non-cash transactions during the period ended July 31, 2024.

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Adagio Capital Inc. (the "Company") is a company domiciled in Canada. The Company was incorporated on July 16, 2024 under the laws of the Province of British Columbia. The address of the Company's registered and head office is Suite 600, 890 West Pender Street, Vancouver, B.C., V6C 2V5.

On June 12, 2025, the Company completed its Initial Public Offering ("IPO") and its common shares were listed on the TSX-Venture Exchange ("TSX-V") as a Capital Pool Company ("CPC") as defined in Policy 2.4 of the TSX-V Corporate Finance Manual. The Company's principal business is the identification and evaluation of companies, assets or businesses with a view to completing a Qualifying Transaction ("QT"). Such a transaction will be subject to shareholder and regulatory approval.

2. BASIS OF PREPARATION

Statement of compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These financial statements were authorized for issue by the board of directors on November 28, 2025.

The Company's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition of, a participation in or an interest in properties, assets or businesses. Such an acquisition will be subject to regulatory approval and may be subject to shareholder approval. In order to continue as a going concern and meet its corporate objectives, the Company will require additional financing through debt or equity issuances or other available means. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. The Company may require additional financing to meet its projected minimum financial obligations for the next fiscal year. The Company is aware, in making its assessment, of material uncertainties which may cast significant doubt on the Company's ability to continue as a going concern. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence, and such adjustments may be material.

Basis of measurement

These financial statements have been prepared on an historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the period. Significant areas requiring the use of management estimates relate to the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty. Actual results could differ from those 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.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Share capital

Common shares issued for non-monetary consideration are recorded at their fair value on the measurement date and classified as equity. The measurement date is defined as the earliest of the date at which the commitment for performance by the counterparty to earn the common shares is reached or the date at which the counterparty's performance is complete.

Transaction costs directly attributable to the issue of common shares and share purchase options are recognized as a deduction from equity, net of any tax effects.

Loss per share

Basic loss per share is computed by dividing the net loss available to common shareholders by the weighted average number of common shares outstanding during the period. The dilutive effect of outstanding options and warrants and their equivalents are reflected in diluted earnings per share. The computation of diluted earnings per share assumes conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on earnings per share.

Basic loss per share is calculated using the weighted-average number of shares outstanding during the period. Outstanding common shares that are contingently cancelable are excluded from the weighted average number of shares outstanding.

Income taxes

Income taxes are recognized for the estimated taxes payable for the current period, and deferred taxes are recognized for temporary differences between the tax and accounting bases of assets and liabilities, and for the benefit of losses available to be carried forward for tax purposes that are more likely than not to be realized. To the extent that the Company does not consider it more likely than not that a deferred tax asset will be recovered, it provides a valuation allowance against the excess. Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply in the years in which the temporary differences are expected to be recovered or settled.

Financial instruments – recognition and measurement

The following is the Company's accounting policy for financial instruments under IFRS 9:

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

Cash is classified at FVTPL and accounts payable is classified at amortized cost.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments – recognition and measurement (continued)

(ii) Measurement

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of loss and comprehensive loss in the period in which they arise.

(iii) Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities
The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

Share-based payments

The Company records all share-based compensation at fair value. Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized through profit or loss over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received. When the value of goods or services received in exchange for the share-based compensation cannot be reliably estimated, the fair value is measured by use of the Black-Scholes Option Pricing Model.

Share-based payments (continued)

Options and warrants issued as consideration in connection with common share placements are recorded at their fair value on the date of issuance as share issuance costs. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options expected to vest. On exercise of stock options, agent options and warrants, share capital is recorded for the consideration received and for the fair value amounts previously recorded to reserve. The Company uses the Black-Scholes Option Pricing Model to estimate the fair value of share-based compensation.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Recent accounting pronouncements

Certain new accounting standards, amendments to standards and interpretations have been issued, effective for annual periods beginning on or after July 31, 2025. These standards have been assessed to not have a significant impact on the Company's financial statements.

4. SHARE CAPITAL

Authorized

The Company is authorized to issue an unlimited number of common shares without nominal or par value.

Issued

On June 12, 2025, the Company completed its IPO and issued 2,000,000 common shares for gross proceeds of $200,000. The Company incurred issuance costs of $39,437, paid a finder's fee of $20,000 and issued 200,000 agent warrants, entitling the holder to acquire one common share per warrant for $0.10 for a period of five years. The Company has estimated the fair value of the agent warrants to be $15,056 based on the Black-Scholes Option Pricing Model. The assumptions used for the Black-Scholes valuation of the agent warrants were as follows: a risk-free interest rate of 2.54%, an expected life of five years, a dividend rate of 0%, forfeiture rate of 0%, and an annualized volatility of 100%.

During the period from incorporation date on July 16, 2024 to July 31, 2024, the Company issued 3,000,000 common shares at a price of $0.05 per share for gross proceeds of $150,000.

Escrow shares

As at July 31, 2025, there are 3,000,000 common shares that are held in escrow subject to the release policies of the TSX-V.

Reserves

The reserve records items recognized as share-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital. Any fair value attributed to the warrants and options are recorded as reserve. If the warrants and options expire unexercised, the value attributed to the warrants is transferred to deficit.

Stock options

The Company has a rolling stock option plan (the "Plan") that authorizes the board of directors to grant incentive stock options to directors, officers, consultants and employees, whereby a maximum of 10% of the issued common shares are reserved for issuance under the plan. Under the Plan, the exercise price of each option may not be less than the market price of the Company's shares at the date of grant. Options granted under the Plan will have a term not to exceed ten years and be subject to vesting provisions as determined by the board of directors of the Company.

(Expressed in Canadian dollars)

4. SHARE CAPITAL (continued)

Stock option transactions are summarized as follows:

	Number of Options		Weighted Average Exercise Price
Outstanding and exercisable, July 16, 2024 and July 31, 2024	-	$	-
Granted	499,999		0.10
Outstanding and exercisable, July 31, 2025	499,999	$	0.10

During the year ended July 31, 2025, the Company granted 499,999 stock options to directors with an exercise price of $0.10 for a period of 5 years. The fair value of the stock options granted during the period is $37,639 based on the Black-Scholes Option Pricing Model. The assumptions used for the Black-Scholes valuation of the agent options were as follows: a risk-free interest rate of 2.54%, an expected life of five years, a dividend rate of 0%, forfeiture rate of 0%, and an annualized volatility of 100%. The fair value per option was $0.075.

As at July 31, 2025 the Company had 499,999 stock options outstanding with an exercise price of $0.10, expiring June 12, 2030. These options are held in escrow and will be released following the completion of a QT. The weighted average life of options outstanding as at July 31, 2025 was 4.87 years.

Warrants

The following table summarizes the Company's warrant activity:

	Number of Warrants		Weighted Average Exercise Price
Outstanding, July 16, 2024 and July 31, 2024	-	$	-
Issued	200,000		0.10
Outstanding, July 31, 2025	200,000	$	0.10

As at July 31, 2025, the Company had 200,000 warrants exercisable at $0.10 per warrant, expiring June 12, 2030. The weighted average life of warrants outstanding as at July 31, 2025 was 4.87 years.

5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at July 31, 2025, the Company's only financial instruments are comprised of cash and accounts payable. The fair value of these financial instruments approximates their carrying values due to their short-term maturity. Fair values of financial instruments are classified in a fair value hierarchy based on the inputs used to determine fair values. The levels of the fair value hierarchy are as follows:

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.

As at July 31, 2025, the fair value of cash held by the Company was based on level 1 inputs of the fair value hierarchy.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Credit risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Company is susceptible to credit risk related to cash balances. This risk is mitigated by placing cash with reputable financial institutions. The Company believes it has no significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company cannot meet its financial liabilities as they become due. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash and seeking equity financing as needed. As at July 31, 2025, the Company had a cash balance of $209,418 to settle liabilities of $48,705. The Company has sufficient funds to meet its obligations.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

(a) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company's cash is held in an account with a major Canadian financial institution. The funds may be withdrawn at any time without penalty.

(b) Foreign currency risk

The Company does not have assets or liabilities in a foreign currency and therefore is not exposed to foreign currency risk.

(c) Price risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potentially adverse impact on the Company's ability to obtain equity financing due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

6. CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. As at July 31, 2025, the Company's shareholders' equity was $162,988. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its future liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

Cash on hand will only be sufficient to identify and evaluate a limited number of assets and businesses for the purpose of identifying and completing a Qualifying Transaction. Additional funds may be required to finance the Company's Qualifying Transaction.

(Expressed in Canadian dollars)

6. CAPITAL MANAGEMENT (continued)

Cash from proceeds from share issuances have the following permitted uses until the completion of a Qualifying Transaction pursuant to section 7.1 of TSX-V policy 2.4:

(a) Reasonable expenses relating to the Company's Initial Public Offering;
(b) Reasonable general and administrative expenses not exceeding $3,000 per month; and
(c) Reasonable expenses relating to a proposed Qualifying Transaction.

7. RELATED PARTY TRANSACTIONS

The Company has identified all of the directors and officers as its key management personnel. During the year ended July 31, 2025 and the period ended July 31, 2024, the Company did not incur transactions with directors and officers, or companies that are controlled by directors or officers of the Company. In addition, there are no amounts owing to any related parties as at July 31, 2025. Stock-based compensation recognized for stock options granted to related parties during the year ended July 31, 2025 was $37,639 (2024 -$Nil).

8. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	Year ended July 31, 2025	Period ended July 31, 2024
Net loss before tax	$ (150,191)	$ (15,023)
Tax rate	27%	27%
Expected income tax recovery	(40,552)	(4,056)
Share issue costs and other items	(5,885)	-
Unrecognized benefit of non-capital losses	46,437	4,056
Income tax recovery	$ -	$ -

The Company has accumulated non-capital losses of approximately $139,462 which may be deducted in the calculation of taxable income in future years. The losses expire beginning in 2044.