

METATEK-GROUP LTD
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2025 AND 2024

METATEK-GROUP LTD

CONTENTS

	Page
Independent auditor's report	1 - 4
Consolidated Statements of loss and comprehensive loss	5
Consolidated Statements of financial position	6 - 7
Consolidated Statements of changes in equity	8
Consolidated Statements of cash flows	9
Notes to the Consolidated Financial Statements	10 - 38



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Independent Auditor's Report

To the Shareholders of Metatek-Group Ltd.

Opinion

We have audited the consolidated financial statements of Metatek-Group Ltd. and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated 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.

Key Audit Matters

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

Valuation of Convertible Loan Notes

Description of the key audit matter

As outlined in Note 15, the Company issued convertible loan notes in 2024 and elected to measure the instrument at fair value through the profit and loss account.

The determination of the fair value of these instruments requires significant judgement, particularly in the selection of valuation assumptions and key inputs. Management's assessment involves judgement in respect of the share price, expected volatility, time to a potential liquidity event, and the risk-adjusted discount rate.

We considered this a key audit matter because fair value measurement is inherently complex and subjective, requiring significant judgement in selecting and applying valuation techniques and key assumptions and inputs, which increases the risk of material misstatement.



Addressing this matter required substantial audit effort and the involvement of our valuation specialists with the requisite skills and knowledge to evaluate the appropriateness of the methodologies and the underlying inputs.

How the key audit matter was addressed in the audit:

Our audit procedures included, but were not limited to, the following:

- Performing risk assessment procedures over the fair value measurement of the convertible loan notes to identify the valuation techniques and key inputs most susceptible to material misstatement.
- Obtaining management's valuation and evaluating the valuation technique and key assumptions and inputs to supporting documents and external evidence.
- Involving our valuation specialists to assist in assessing management's valuation.
- Assessing the adequacy of the related consolidated financial statement disclosures regarding the convertible loan notes and fair value measurement.

Other Information

Management is responsible for the other information. The other information comprises:

- The information, other than the consolidated financial statements and our auditor's report thereon, included in the Management's Discussion and Analysis for the year ended December 31, 2025 and 2024.

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

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

We obtained the Management's Discussion and Analysis for the year ended December 31, 2025 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 Consolidated Financial Statements

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

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

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



Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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 consolidated 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 Jeannette A. Toner.

Chartered Professional Accountants

Calgary, Alberta
March 31, 2026

METATEK-GROUP LTD

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS FOR THE YEARS ENDED 31 DECEMBER 2025 AND 2024

	Notes	2025 US\$'000	2024 US\$'000
Revenue	4	23,654	11,896
Cost of Sales			
Direct costs		8,951	5,155
Personnel costs		499	729
Total Cost of Sales		9,450	5,884
Gross Profit		14,204	6,012
Operating Expenses			
Personnel expenses		3,767	3,003
General and administrative expenses	6	2,268	1,655
Depreciation expense		1,339	2,171
Total Operating Expenses		7,374	6,829
Operating Profit/(Loss)		6,830	(817)
Financial Costs			
Interest costs	7	2,515	963
Revaluation loss on convertible debentures	15	23,191	5,423
Gain on disposal of right-of-use assets	12	(9)	(734)
Total Financial Costs		25,697	5,652
Loss before taxation		(18,867)	(6,469)
Tax	8	1,100	-
Loss for the year		(19,967)	(6,469)
Other comprehensive loss:			
Items that may be reclassified to profit or loss			
Currency translation differences:			
- Translation (gain)/loss arising on the translation of foreign subsidiaries		(8)	30
Total comprehensive loss for the year		(19,959)	(6,499)
Loss per share - Basic and Diluted	10	US\$ per share	US\$ per share
Basic		(0.65)	(0.21)
Diluted		(0.65)	(0.21)

The notes on pages 10 to 38 form part of these group financial statements.

METATEK-GROUP LTD

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025 AND 2024

		31 December 2025	31 December 2024
	Notes	US\$'000	US\$'000
ASSETS			
Current assets			
Contract assets	5	825	526
Trade and other receivables	11	5,116	3,000
Cash and cash equivalents		1,400	159
		<u>7,341</u>	<u>3,685</u>
Non-current assets			
Property, plant and equipment	12	25,254	25,239
Right-of-use assets	12	261	415
		<u>25,515</u>	<u>25,654</u>
Total assets		<u>32,856</u>	<u>29,339</u>
LIABILITIES			
Current liabilities			
Trade and other payables	13	3,960	3,026
Contract liabilities	5	753	1,130
Borrowings	14	3,780	3,432
Convertible debentures	15	32,906	9,848
Lease liabilities	16	79	82
		<u>41,478</u>	<u>17,518</u>
Non-current liabilities			
Borrowings	14	2,684	5,198
Lease liabilities	16	208	341
Deferred tax liabilities	9	1,100	-
		<u>3,992</u>	<u>5,539</u>
Total liabilities		<u>45,470</u>	<u>23,057</u>

METATEK-GROUP LTD

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED) AS AT 31 DECEMBER 2025 AND 2024

		31 December 2025	31 December 2024
		US\$'000	US\$'000
EQUITY			
Share capital	22	12,864	12,814
Share-based compensation	21	1,790	777
Currency translation reserve		158	150
Accumulated deficit		(27,426)	(7,459)
Total (deficit)/equity		<u>(12,614)</u>	<u>6,282</u>
Total equity and liabilities		<u>32,856</u>	<u>29,339</u>

The notes on pages 10 to 38 form part of these group financial statements.

On behalf of the board:

Signed "Avjitpal Kamboj"

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Director

Signed "Mark Davies"

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Director

METATEK-GROUP LTD

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2025

	Notes	Share capital US\$'000	Share-based compensation US\$'000	Currency translation reserve US\$'000	Accumulated deficit US\$'000	Total US\$'000
Balance at 1 January 2024		12,315	-	180	(990)	11,505
Year ended 31 December 2024:						
Loss		-	-	-	(6,469)	(6,469)
Other comprehensive loss:						
Currency translation differences		-	-	(30)	-	(30)
Total comprehensive loss		-	-	(30)	(6,469)	(6,499)
Issue of share capital	22	499	-	-	-	499
Credit to equity for equity settled share-based compensation	21	-	777	-	-	777
Balance at 31 December 2024		12,814	777	150	(7,459)	6,282
Year ended 31 December 2025:						
Loss		-	-	-	(19,967)	(19,967)
Other comprehensive loss:						
Currency translation differences		-	-	8	-	8
Total comprehensive loss		-	-	8	(19,967)	(19,959)
Issue of share capital	22	50	-	-	-	50
Credit to equity for equity settled share-based compensation	21	-	1,013	-	-	1,013
Balance at 31 December 2025		12,864	1,790	158	(27,426)	(12,614)

The notes on pages 10 to 38 form part of these group financial statements.

METATEK-GROUP LTD

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025 AND 2024

	Notes	2025 US\$'000	2024 US\$'000
Operating Activities			
Loss for the year after taxation		(19,967)	(6,469)
Adjustments for:			
Taxation charge		1,100	-
Finance costs		2,515	963
Gain on right-of-use asset		(9)	(862)
Depreciation of property, plant and equipment		1,339	2,171
Revaluation loss on convertible debentures		23,191	5,423
Equity settled share-based payments		1,063	777
Movements in working capital:			
Increase in contract assets		(299)	(520)
Increase in trade and other receivables		(2,113)	(1,537)
Decrease in contract liabilities		(377)	768
Increase in trade and other payables		883	(540)
Cash generated from operations		7,326	174
Income taxes refunded		-	21
Net cash inflow from operating activities		7,326	195
Investing activities			
Purchase of property, plant and equipment		(1,241)	(2,194)
Proceeds from disposal of property, plant and equipment		1	-
Net cash used in investing activities		(1,240)	(2,194)
Financing activities			
Issue of convertible debentures		-	4,425
Proceeds from borrowings		-	7,057
Repayment of borrowings		(2,813)	(400)
Repayment of bank loans		(13)	(16)
Payment of lease liabilities		(110)	(9,409)
Interest paid		(1,916)	(385)
Net cash (used in)/generated from financing activities		(4,852)	1,272
Net increase/(decrease) in cash and cash equivalents		1,234	(727)
Cash and cash equivalents at beginning of year		159	859
Effect of foreign exchange rates		7	27
Cash and cash equivalents at end of year		1,400	159

The notes on pages 10 to 38 form part of these group financial statements.

METATEK-GROUP LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 AND 2024

1 Material accounting policies

Company information

Metatek-Group Ltd (the Company or the Group) was incorporated on 19 January 2023 under the Alberta Business Corporations Act. The registered office is 4600 Eighth Avenue Place East, 525 - 8th Avenue SW, Calgary, AB, Canada, T2P1G1. The Company is listed on the Toronto Stock Exchange and trade under the symbol MTEK.

The principal activity of the Group is to provide specialist geoscientific services, focused on subsurface imaging, for a range of national and international operators, and governments, in the natural resources and energy transition industries.

On 31 August 2023, the Company completed a share-for-share exchange in which the shareholders of Bridgeporth Ltd exchanged their shares for shares of Metatek-Group Ltd, resulting in Metatek-Group Ltd becoming the new ultimate parent company of the Group.

The transaction did not result in a change in the ownership of the Group and represents a continuation of the existing business.

The Group consists of Metatek-Group Ltd and all of its subsidiaries. More information on the group's structure is provided in note 1.2.

1.1 Basis of preparation

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements are presented in United States dollars, which is the functional currency of the Group. Monetary amounts in these financial statements are rounded to the nearest thousand dollars.

The consolidated financial statements have been prepared on a going concern basis using historical cost, except for financial instruments measured at fair value through profit or loss (FVTPL).

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out below. The policies have been consistently applied to all the year presented, unless otherwise stated.

These consolidated financial statements were authorised for issuance by the Board of Directors of the Company on 31 March 2026.

1.2 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Metatek-Group Ltd together with all entities controlled by the parent company (its subsidiaries).

Where the company has control over an investee, it is classified as a subsidiary. The company controls an investee if all three of the following elements are present:

- power over the investee
- exposure to variable returns from the investee; and
- the ability of the investor to use its power to affect those variable returns.

Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

METATEK-GROUP LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025 AND 2024

1 Material accounting policies

All financial statements are made up to 31 December 2025. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the Group's financial statements from the date that control commences until the date that control ceases.

Details of the Company's subsidiaries at 31 December 2025 are as follows:

Name of undertaking	Country	Class of shares held	% Held Direct
Arabian Geophysical LLC	Egypt	Ordinary	70.00
Metatek Japan KK	Japan	Ordinary	80.00
Bridgeporth Limited	United Kingdom	Ordinary	100.00

Non-controlling interests represent the equity in subsidiaries that is not attributable, directly or indirectly, to the shareholders of Metatek-Group Ltd. The amount attributable to non-controlling interest is not material individually and has not been disclosed.

1.3 Revenue

Revenue is recognized from contracts with customers when and as performance obligations are satisfied through the transfer of services to the customer, over time. Judgement is required in assessing progress toward satisfaction of performance obligations, including consideration of project milestones, flight or other collection activity, and processing progression.

The Group earns revenue from:

- (i) data acquisition services; and
- (ii) processing and interpretation of geophysical data.

Revenue is recognised over time against kilometres of data acquired and processed and the estimated number of days required to interpret the data. During the term of a contract, the timing of invoicing may differ from revenue recognised, resulting in contract assets or contract liabilities at each reporting date.

METATEK-GROUP LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025 AND 2024

1 Material accounting policies

Step in Model	Description
Identify the contract	Contracts consist of a Master Services Agreement and a project-specific Supplemental/Service Agreement that define the scope, deliverables, pricing, rights and obligation.
Identify distinct performance obligations	Acquisition contracts include two performance obligations: (1) data acquisition; and (2) data processing and interpretation. Processing-only contracts generally contain one combined performance obligation.
Determine the transaction price	Contract consideration is generally fixed based on total contract value (acquisition) or per-line-kilometre processing rates (processing), subject to minimum charges. Variable amounts are included only when highly probable not to reverse.
Allocate the transaction price	For acquisition contracts, the transaction price is allocated using relative standalone values. Processing-only contracts allocated 100% to the single performance obligation.
Recognise revenue as performance obligations are satisfied	Revenue is recognised over time as performance obligations are satisfied. Progress is measured using an appropriate input or output method, including line-kilometres flown or otherwise covered for acquisition activities, and line-kilometres processed or processing labour hours (and related costs) incurred relative to total expected effort for processing services.

Cost to obtain a contract

The Group pays sales commission to its employees and certain contractors for contracts that are ultimately secured. The Group applies the optional practical expedient to immediately expense costs to obtain a contract if the amortisation period of the asset that would have been recognised is one year or less. As such, sales commissions are immediately recognised as an expense in the period they become payable and are included as part of employee remuneration for employees and within direct costs for contractors.

Contract assets arise when the Group recognises revenue for services transferred to customers before the Group has an unconditional right to consideration. Contract assets are measured at the amount of consideration the Group expects to be entitled into under the contract. Contract assets are reclassified to trade receivables when the Group's right to consideration becomes unconditional.

Contract liabilities represent consideration received from customer in advance of the Group satisfying the related performance obligations.

They primarily arise due to timing differences between billing milestones and the satisfaction of performance obligations on customer service contracts that straddle financial reporting periods.

METATEK-GROUP LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025 AND 2024

1 Material accounting policies

1.4 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	10 years straight line
Plant and equipment	3 - 15 years straight line
Aircraft	15 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

1.5 Impairment of non-financial assets

At each reporting end date, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities.

METATEK-GROUP LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025 AND 2024

1 Material accounting policies

1.7 Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument. All financial instruments are initially measured at fair value. Financial instruments are subsequently measured based on their classification as follows:

- Financial instruments measured at amortised cost; and
- Financial instruments measured at FVTPL.

Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately on the consolidated statement of comprehensive loss.

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire. A financial liability is derecognised when it is extinguished, discharged, cancelled, or expires. Where a legally enforceable right to offset exists for recognised financial assets and financial liabilities and there is an intention to settle the liability and realise the asset simultaneously, or to settle on a net basis, such related financial assets and financial liabilities are offset.

On initial recognition, the Company classifies financial assets as measured at amortised cost when both of the following conditions are met:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate method and are subject to impairment.

Financial assets are classified as held for trading if they are managed with the objective of realising cash flows through the sale. Derivatives, including separate embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets at FVTPL are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in the consolidated statement of comprehensive loss.

Financial liabilities are classified as financial liabilities at FVTPL or amortised cost as appropriate. The Company determines the classification of its financial liabilities at initial recognition. Subsequent to initial recognition, financial liabilities at amortised cost are measured using the effective interest method with the accretion of interest recognised in finance costs. Financial liabilities at FVTPL are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in the consolidated statement of comprehensive loss.

Financial Instruments held at amortised cost

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (eg trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary.

METATEK-GROUP LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025 AND 2024

1 Material accounting policies

Impairment of financial instruments

Financial assets carried at amortised cost are assessed for indicators of impairment at each reporting end date.

The expected credit losses associated with these assets are estimated on a forward-looking basis. A broad range of information is considered when assessing credit risk and measuring expected credit losses, including past events, current conditions, and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

The group applies the IFRS 9 simplified approach to measure expected credit losses using a lifetime expected credit loss provision for trade receivables and contract assets.

Derecognition of financial instruments

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Financial liabilities are derecognised when, and only when, the group's obligations are discharged, cancelled, or they expire.

1.8 Convertible debentures and warrants

Hybrid financial instruments issued by the group comprises convertible debentures and warrant liabilities that can be converted to common shares at the option of the holder.

Convertible debentures and warrant liabilities are classified entirely as financial liabilities at fair value through profit or loss (FVTPL) in accordance with IFRS 9. Upon issuance, the debenture and warrant is initially measured at fair value, with subsequent changes in fair value recognized in profit or loss at each reporting date. The hybrid financial instrument was issued as a unit and is measured as one, however the warrants are detachable and can be exercised separately from the convertible debentures. If the debenture or warrant is converted into equity, the carrying amount of the liability is derecognized and transferred to equity. The fair value is determined using a valuation model that considers inputs including risk-free rate and share price volatility. No component of the instrument has been classified as equity, as the group has applied the FVTPL classification due to the presence of embedded features that would otherwise require separation under IAS 32.

1.9 Equity instruments

Share capital common shares are classified as equity. Issuance costs directly attributable to the issuance of the shares are recognised as a deduction from equity, net of income tax effects.

The currency translation reserve represents the cumulative translation adjustments arising from the conversion of the financial statements of the Group's foreign operations into the presentation currency. These adjustments result from the fluctuation in exchange rates between the functional currencies of the Group's subsidiaries and the Group's presentation currency. The reserve includes the impact of translating assets and liabilities at the prevailing exchange rates at the reporting date and the translation of income and expenses at average exchange rates for the period. The currency translation reserve is recognised in equity and will only be reclassified to profit or loss upon disposal or liquidation of the foreign operation.

METATEK-GROUP LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025 AND 2024

1 Material accounting policies

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the consolidated statements of loss and comprehensive loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on 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, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date 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 asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the consolidated statement of loss and comprehensive loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event and it is probable that the group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

METATEK-GROUP LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025 AND 2024

1 Material accounting policies

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes model. The fair value determined at the grant date is expensed on a graded vesting basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

1.15 Leases

At inception, the Group assesses whether a contract is, or contains, a lease within the scope of IFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where a tangible asset is acquired through a lease, the Group recognises a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are included within property, plant and equipment.

The right-of-use asset is initially measured at a value equivalent to the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs and an estimate of the cost of obligations to dismantle, remove, refurbish or restore the underlying asset and the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of other property, plant and equipment. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are unpaid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be payable under a residual value guarantee, and the cost of any options that the Group is reasonably certain to exercise, such as the exercise price under a purchase option, lease payments in an optional renewal period, or penalties for early termination of a lease.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in: future lease payments arising from a change in an index or rate; the Group's estimate of the amount expected to be payable under a residual value guarantee; or the Group's assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

METATEK-GROUP LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025 AND 2024

1 Material accounting policies

The group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less, or for leases of low-value assets including IT equipment. The payments associated with these leases are recognised in profit or loss on a straight-line basis over the lease term.

1.16 Foreign exchange

Transactions in currencies other than US dollars are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Adoption of new and revised standards and changes in accounting policies

The following amendments are effective for the period beginning 1 January 2025:

- Lack of exchangeability - Amendments to IAS 21

These amendments to various IFRS Accounting Standards are mandatorily effective for reporting periods beginning on or after 1 January 2025.

The amendments did not have a material impact on the Group's financial statements.

Standards which are in issue but not yet effective

At the date of authorisation of these consolidated financial statements, the following IFRS Accounting Standards, which have not yet been applied in these financial statements, were in issue but not yet effective:

IFRS 7 & IFRS 9 - Classification and measurement of financial instruments

The amendments include:

- a. A clarification that a financial liability is derecognised on the 'settlement date' and the introduction of an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date;
- b. Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed;
- c. Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments; and
- d. The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI).

The amendments are effective for annual periods starting on or after 1 January 2026 with early adoption permitted for classification of financial assets and related disclosures only. The Group is currently in the process of assessing the impact of these amendments on the consolidated financial statements and related notes but at this stage does not anticipate that they will have a material effect on the Group's financial statements.

METATEK-GROUP LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025 AND 2024

2 Adoption of new and revised standards and changes in accounting policies

IFRS 18 - Presentation and disclosure in financial statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements ("PFS") and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Group is currently in the process of assessing the impact of these amendments on the consolidated financial statements and related notes.

Annual improvements to IFRS Accounting Standards - Volume 11

In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 First-time Adoption of International Reporting Standards, IFRS 7 Financial Instruments: Disclosure and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statements of Cash Flows.

The amendments will be effective for reporting periods beginning on or after 1 January 2026. Earlier application is permitted and must be disclosed.

The amendments are not expected to have a material impact on the Group's financial statements.

METATEK-GROUP LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025 AND 2024

3 Critical accounting estimates and judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Critical judgements

Revenue

Revenue recognition under IFRS 15 involves significant judgement. The Group applies IFRS 15, which outlines a five-step model for revenue recognition, requiring careful assessment of the contract terms, performance obligations, and transaction price. Key areas of judgement include the identification of distinct performance obligations within contracts, the estimation of variable consideration (such as discounts, rebates, or performance bonuses), and the allocation of the transaction price to these obligations. Additionally, the timing of revenue recognition, whether at a point in time or over time, depends on the transfer of control, which may be influenced by factors such as the nature of the product or service, customer acceptance, and contract terms. Given the complexity and variability in these factors, the Group exercises significant judgement to ensure that revenue is recognised in a manner that reflects the economic substance of the transactions.

Convertible debenture

The Group has exercised significant judgement in determining the appropriate accounting treatment for its convertible debentures in accordance with IFRS 9 Financial Instruments. The assessment required careful consideration of the contractual terms to determine whether the instruments should be classified as financial liabilities, equity instruments, or compound financial instruments. Key factors evaluated included the substance of the conversion features, the need for separate recognition of any embedded derivatives, and whether the terms were fixed or variable. Additionally, the Group has applied judgment in determining the inputs used for the valuation of the financial liabilities, particularly in assessing fair value at each reporting date, as market conditions and other assumptions (such as discount rates and volatility) can significantly influence the valuation. These judgments are crucial in ensuring that the financial statements reflect the substance of the transactions and comply with the relevant accounting standards.

Deferred tax

The Group recognises deferred tax assets and liabilities in-line with the relevant accounting standards and as per conventional calculation methodology. Key judgements in relation to deferred tax asset recognition may include the applicability of relevant tax legislation, and significant estimation uncertainty is often involved in forecasting future taxable profits.

Key sources of estimation uncertainty

Share-based payments

Share-based payments involve the recognition of an expense based on the fair value of equity instruments granted, determined using the Black-Scholes valuation model. The key assumptions underlying this model include the expected volatility, share price, expected life of the options, risk-free interest rates, and the estimated forfeiture rates. The estimation uncertainty associated with these assumptions may result in differences between the amounts recognised in the financial statements and the actual amounts incurred in the future, depending on factors such as market conditions and employee behaviour.

METATEK-GROUP LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025 AND 2024

4 Segment information

The Group has one reportable segment. This was determined based on the nature of the service and product offered. Reportable segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision-maker in deciding how to allocate resources and in assessing performance.

The Group operates globally. All of the group's significant identifiable non-current assets are held by the Group's subsidiary located in the United Kingdom however they are used globally dependent on the location of the customer for whom data is being collected at the time. When not in use the Twin Otter plane and DC3 plane return to their maintenance bases in the United States and Uganda respectively.

	2025 US\$'000	2024 US\$'000
<i>Revenue analysed by type of service contract</i>		
Acquisition services	23,433	11,416
Processing and Interpretation services	221	480
	<u>23,654</u>	<u>11,896</u>

	2025 US\$'000	2024 US\$'000
<i>Revenue analysed by geographical market</i>		
Africa	6,594	6,895
South America	-	3,507
Southeast Asia	13,978	1,158
Europe	2,623	-
Rest of World	459	336
	<u>23,654</u>	<u>11,896</u>

For the year ended 31 December 2025, revenues from four customers comprised 87% of total revenue (31%, 25%, 20% and 11% respectively) and for the year ended 31 December 2024, revenues from four customers comprised 83% of total revenue (32%, 29%, 12% and 10% respectively).

5 Contracts with customers

	2025 US\$'000	2024 US\$'000
Contracts in progress		
Contract receivables included in trade and other receivables	4,647	2,606
Contract assets	825	526
Contract liabilities	(753)	(1,130)
	<u> </u>	<u> </u>

Contract assets arise when the Group recognises revenue for services transferred to customers before the group has an unconditional right to consideration.

Contract liabilities represent consideration received from customer in advance of the Group satisfying the related performance obligations.

METATEK-GROUP LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025 AND 2024

5 Contracts with customers

Other contract assets of US\$825k (2024: US\$526k) and contract liabilities of US\$753k (2024: US\$1,130k) primarily arise due to timing differences between billing milestones and the satisfaction of performance obligations on service contracts that straddle financial reporting periods.

Revenue of US\$1,130k (2024: US\$362k) recognised during the year was included in opening contract liabilities.

In accordance with IFRS 15.121, the Group has applied the practical expedient and therefore does not disclose information about remaining performance obligations for contracts with customers that have an original expected duration of one year or less, or for which the Group recognised revenue in the amount to which it has a right to invoice.

6 General and administrative expenses

	2025 US\$'000	2024 US\$'000
Components of general and administrative expenses were as follows:		
Business development and professional expenses	750	255
Consultancy	421	538
Insurances	151	148
Travel expenses	205	194
Computer and website costs	114	83
Advertising, promotions and exhibitions	87	58
Foreign exchange loss	183	50
Office and general	357	329
	<u>2,268</u>	<u>1,655</u>

7 Financial costs

	2025 US\$'000	2024 US\$'000
Interest on bank overdrafts and loans	13	3
Interest on lease liabilities	26	484
Interest payable on other loans including the term loan and debentures	2,476	476
	<u>2,515</u>	<u>963</u>

METATEK-GROUP LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025 AND 2024

8 Income tax expense

	2025 US\$'000	2024 US\$'000
<i>Deferred tax</i>		
Origination and reversal of temporary differences	1,100	-

The charge for the year can be reconciled to the expected tax credit per the consolidated statements of loss and comprehensive loss as follows:

	2025 US\$'000	2024 US\$'000
Loss before taxation	(18,867)	(6,469)
Expected tax credit based on a corporation tax rate of 23.00% (2024: 23.00%)	(4,339)	(1,488)
Effect of expenses not deductible in determining loss before taxation	5,479	1,219
Utilisation of tax losses not previously recognised	(1,003)	-
Unutilised tax losses carried forward	38	633
Change in unrecognised deferred tax	565	(531)
Share based payment charge	253	194
Effect of overseas tax rates	107	(27)
Taxation charge for the year	1,100	-

9 Deferred taxation

	Liabilities	
	2025 US\$'000	2024 US\$'000
Deferred tax balances	1,100	-

The following are the major deferred tax liabilities and assets recognised by the Group and movements thereon during the current and prior reporting period.

	Property and equipment US\$'000	Tax losses US\$'000	Retirement benefit obligations US\$'000	Share based payments US\$'000	Total US\$'000
Liability at 1 January 2024 and 1 January 2025	-	-	-	-	-
Deferred tax movements in current year					
Charge/(credit) to profit or loss	3,209	(1,824)	(22)	(263)	1,100
Liability at 31 December 2025	3,209	(1,824)	(22)	(263)	1,100

Deferred tax assets and liabilities are offset in the financial statements only where the group has a legally enforceable right to do so.

METATEK-GROUP LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025 AND 2024

9 Deferred taxation

The Group has estimated tax losses of US\$7.3m arising in the UK subsidiary available for offset against future profits. The losses do not expire unless there is a substantial change of trade. These have been offset by timing differences arising on capital expenditure.

10 Earnings per share

	2025 Number	2024 Number
Number of shares		
Weighted average number of ordinary shares for basic earnings per share	30,688,716	30,638,718
Effect of dilutive potential ordinary shares:		
- Weighted average number outstanding share options	1,690,625	1,822,586
	<u>32,379,341</u>	<u>32,461,304</u>
	2025	2024
Earnings	US\$'000	US\$'000
Loss for the period from continued operations	(19,967)	(6,469)
	2025	2024
	US\$	US\$
Earnings per share for continuing operations	per share	per share
Basic earnings per share	(0.65)	(0.21)
Diluted earnings per share	(0.65)	(0.21)

On March 25, 2026, the company completed a 2-for-1 consolidation of its common shares, pursuant to which two pre-consolidation common shares were consolidated into one post-consolidation common share.

The share consolidation has been reflected retrospectively in the calculation of basic and diluted earnings per share for all periods presented. Accordingly, the weighted average number of common shares outstanding and earnings per share amounts for the current and comparative periods have been adjusted to reflect the share consolidation.

In addition, the number of stock options and warrants outstanding and their related exercise prices have been adjusted retrospectively to reflect the share consolidation for all periods presented.

11 Trade and other receivables

	2025 US\$'000	2024 US\$'000
Trade receivables	4,647	2,606
VAT recoverable	40	27
Other receivables	55	25
Prepayments	374	342
	<u>5,116</u>	<u>3,000</u>

METATEK-GROUP LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025 AND 2024

11 Trade and other receivables

The Group applies the IFRS 9 simplified approach to measure expected credit losses using a lifetime expected credit loss provision for trade receivables and contract assets. To measure expected credit losses on a collective basis, trade receivables and contract assets are grouped based on similar credit risk and aging. The contract assets have similar risk characteristics to the trade receivables for similar types of contracts.

The expected loss rates are based on the group's historical credit losses experienced over the two year period prior to the period end.

Allowance for estimated credit losses included in net trade receivables was US\$nil as at 31 December 2025 (US\$nil as at 31 December 2024).

12 Property, plant and equipment

	Leasehold land and buildings US\$'000	Assets under construction US\$'000	Plant and equipment US\$'000	Aircraft US\$'000	Total US\$'000
Cost					
At 1 January 2024	142	6,166	14,083	9,101	29,492
Additions	287	2,062	132	-	2,481
Disposals	-	-	(1,217)	-	(1,217)
On assets reclassified as owned from right-of-use asset	-	-	-	(617)	(617)
At 31 December 2024	429	8,228	12,998	8,484	30,139
Additions	59	1,198	32	11	1,300
Disposals	(142)	-	-	-	(142)
On assets reclassified as owned from right-of-use asset	-	-	(1,289)	-	(1,289)
At 31 December 2025	346	9,426	11,741	8,495	30,008
Accumulated depreciation					
At 1 January 2024	13	-	2,793	765	3,571
Charge for the year	28	-	1,118	1,025	2,171
Disposals	-	-	(642)	-	(642)
On assets reclassified as owned from right-of-use asset	-	-	-	(616)	(616)
At 31 December 2024	41	-	3,269	1,174	4,484
Charge for the year	85	-	881	373	1,339
Disposals	(41)	-	-	-	(41)
On assets reclassified as owned from right-of-use asset	-	-	(1,289)	-	(1,289)
At 31 December 2025	85	-	2,861	1,547	4,493

METATEK-GROUP LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025 AND 2024

12 Property, plant and equipment

	Leasehold land and buildings US\$'000	Assets under construction US\$'000	Plant and equipment US\$'000	Aircraft US\$'000	Total US\$'000
Carrying amount analysed between owned assets and right-of-use assets					
At 31 December 2025					
Owned assets	-	9,426	8,880	6,948	25,254
Right-of-use assets	261	-	-	-	261
	<u>261</u>	<u>9,426</u>	<u>8,880</u>	<u>6,948</u>	<u>25,515</u>
At 31 December 2024					
Owned assets	-	8,228	9,702	7,309	25,239
Right-of-use assets	388	-	27	-	415
	<u>388</u>	<u>8,228</u>	<u>9,729</u>	<u>7,309</u>	<u>25,654</u>

Property, plant and equipment includes right-of-use assets, as follows:

	Land and buildings US\$'000	Plant and equipment US\$'000	Aircraft US\$'000	Total US\$'000
Net carrying value at 1 January 2024	129	9,885	4,902	14,916
Additions	286	-	-	286
Disposals	-	(574)	-	(574)
Depreciation charge	(27)	(476)	(164)	(667)
Transferred to owned assets	-	(8,808)	(4,738)	(13,546)
	<u>388</u>	<u>27</u>	<u>-</u>	<u>415</u>
Net carrying value at 31 December 2024	388	27	-	415
Additions	59	-	-	59
Disposals	(101)	-	-	(101)
Depreciation charge	(85)	(27)	-	(112)
	<u>261</u>	<u>-</u>	<u>-</u>	<u>261</u>

The Group recognised a gain on the disposal of right-of-use (ROU) assets, arising from the removal of these assets and the write-off of the associated lease liabilities. The gain represents the difference between the carrying value of the ROU assets and the lease liabilities derecognised, in line with IFRS 16 Leases.

	2025 US\$'000	2024 US\$'000
Carrying value of ROU assets derecognised	(100)	(574)
Lease liabilities derecognised	109	1,308
Net gain on Disposal	<u>9</u>	<u>734</u>

METATEK-GROUP LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025 AND 2024

13 Trade and other payables

	2025 US\$'000	2024 US\$'000
Trade payables	1,459	736
Accruals	2,226	1,709
Social security and other taxation	210	480
Other payables	65	101
	<u>3,960</u>	<u>3,026</u>

14 Borrowings

	Current		Non-current	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
Borrowings held at amortised cost:				
Bank loans	8	12	-	7
Other loans	3,772	3,420	2,684	5,191
	<u>3,780</u>	<u>3,432</u>	<u>2,684</u>	<u>5,198</u>

Included in other loans is a term loan of \$6,754k (2024: \$7,796k) which was entered into on 14 November 2024. This loan relates to the purchase of a Full Tensor Gravity (FTG) system and aircraft and accrues interest at 14% per annum and is secured over the remaining assets of the group. The loan is due for repayment on or before 12 May 2027. Financing fees totalling \$1,477k were allocated to the loan. The fees are amortized to income over the term of the liability. Of this amount, \$550k were settled in shares and \$738k were settled in cash. The total interest expense for the year amounted to \$1,759k (2024: \$143k). The term loan operates under a covenant measured against debt to EBITDA, which the Group was in compliance with throughout the year.

In 2023 the Company received a loan of \$3,500,000 for the purchase of a Twin Otter aircraft. The loan accrues interest of 10% per annum. As at December 31, 2025, the outstanding balance of this loan, included in other loans, is \$nil (2024: \$1,500k). This loan relates to the purchase of a Twin Otter aircraft and accrued interest at 10% per annum. This was settled in June 2025.

The Company has loans of \$508k with shareholders of the Company which were due for repayment by 30 June 2023 and accrue interest at 2% per annum compounded monthly and are due on demand.

METATEK-GROUP LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025 AND 2024

15 Debentures

Convertible debentures

In August 2024, the Company completed two tranches of a non-brokered private placement of convertible debentures, issuing 2,750 units and 1,675 units, respectively in June 2024 and August 2024. Each unit carries a face value of US \$1,000, resulting in gross proceeds of US \$2,750,000 and US \$1,675,000 for the respective tranches.

The debentures have a maturity date of September 19, 2029. Each debenture bears interest of 12% per annum until June 30, 2025 and 15% per annum from June 30, 2025 till maturity. Interest is payable semi-annually in arrears. The debenture units include two prepayment options which were determined to be closely related to the host debt.

Each debenture unit entitles the holder an option to convert the outstanding principal into common shares of the Company at a conversion price of \$0.25. If a Qualified Financing is completed, the conversion price will be adjusted to the lesser of \$0.25 and 90% of the weighted average price per equity security issued in the financing.

Each debenture unit had 2,000 Warrants attached. Each warrant entitles the holder to one common share at an exercise price of US\$0.75 per common share. The warrants contained a clause whereby the Company may, at its option, at any time during the term of the Warrants, reduce the then current Exercise price to any amount or extend the expiry time.

Following the Company's share consolidation subsequent to year-end, the number of common shares issuable on conversion and the number of warrants outstanding were adjusted on a proportionate basis. See note 28 for details.

The conversion feature and warrants were determined to breach fixed for fixed criteria and it was concluded that convertible debenture is a hybrid financial instrument with a liability host instrument, an embedded derivative conversion feature and a derivative warrant liability. Management has elected to measure this instrument at fair value through profit and loss each report date. Interest paid and expensed in the period was \$132,396 (2024: \$104,058).

The fair value of the instruments as a whole was determined as the total of the following components:

- The debt component was measured based on the probability-weighted expected cash flows, discounted at an appropriate risk-adjusted rate.
- The fair value of the warrants was estimated using the Black-Scholes option pricing model.

These valuation techniques require the use of assumptions such as expected volatility, discount rates, and share price forecasts, all of which involve significant judgment and estimation uncertainty.

Input	Debentures Tranches		Warrants Tranches	
	June, 2024	August, 2024	June, 2024	August, 2024
Share price	\$1.48	\$1.48	\$1.48	\$1.48
Conversion price	\$0.25	\$0.25	N/A	N/A
Exercise price	N/A	N/A	\$0.75	0.75
Volatility	45%	45%	45%	45%
Time to liquidity event	0.25 year	0.25 year	0.25 year	0.25 year
Risk free rate	3.7%	3.7%	3.7%	3.7%
Risk-adjusted discount rate	42.3%	47.0%	N/A	N/A

METATEK-GROUP LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025 AND 2024

15 Debentures

Movements and balance at the period end	Liability US\$'000
Liability component at 1 January 2024	4,425
Fair value adjustment	5,423
	<hr/>
Liability component at 31 December 2024	9,848
Interest charged	611
Interest paid	(744)
Fair value adjustment	23,191
	<hr/>
Liability component at 31 December 2025	32,906
	<hr/>
Liability component due within 12 months	32,906
	<hr/>
Liability component due after 12 months	-
	<hr/> <hr/>

The fair value of the hybrid instrument is sensitive to changes in key unobservable inputs. The following illustrates the impact on the fair value of the instruments of reasonably possible changes in significant assumptions, with all other variables held constant.

A 2% increase / (decrease) in expected volatility and 2% increase / decrease in discount rate would result in an increase / (decrease) in fair value of approximately US\$64k.

Actual results may differ from these estimates.

16 Lease liabilities

Net amounts due	2025 US\$'000	2024 US\$'000
Within one year	79	82
After more than one year	208	341
	<hr/>	<hr/>
	287	423
	<hr/>	<hr/>
Maturity analysis of future lease payments	2025 US\$'000	2024 US\$'000
Within one year	99	112
In two to five years	238	398
	<hr/>	<hr/>
Total undiscounted liabilities	337	510
Future finance charges and other adjustments	(50)	(87)
	<hr/>	<hr/>
Lease liabilities in the financial statements	287	423
	<hr/>	<hr/>

METATEK-GROUP LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025 AND 2024

16 Lease liabilities

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the group is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial lease liabilities increase as a result charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset, if rarely, this is judged to be shorter than the lease term.

When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lease extension), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of the lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases, an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in profit or loss.

When the group renegotiates the contractual terms of the lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy;
- in all other cases where the renegotiation increases the scope of the lease (whether that is an extension of the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable to the modification date, with the right-of-use asset being adjusted by the same amount; and
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

The Group leases a property and certain items of plant and machinery. All leases comprise only of fixed payments over the lease terms. See note 12 for details of the assets held under leases.

Lease Liabilities	Leasehold property US\$'000	Plant and machinery US\$'000	Aircraft US\$'000	Total US\$'000
At 1 January 2024	133	9,464	1,759	11,356
Additions	286	-	-	286
Interest expense	10	384	85	479
Lease payments	(31)	(8,643)	(1,587)	(10,261)
Disposal	-	(709)	-	(709)
Release on transfer to owned assets	-	(470)	(257)	(727)
	<u>398</u>	<u>26</u>	<u>-</u>	<u>424</u>
At December 2024	398	26	-	424

METATEK-GROUP LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025 AND 2024

16 Lease liabilities

Lease Liabilities	Leasehold property US\$'000	Plant and machinery US\$'000	Aircraft US\$'000	Total US\$'000
At 1 January 2025	398	26	-	424
Additions	59	-	-	59
Interest expense	25	4	-	29
Lease payments	(85)	(30)	-	(115)
Disposal	(110)	-	-	(110)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At December 2025	287	-	-	287
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

17 Financial instruments

Financial instruments are classified into one of the following categories:

- Fair value through profit or loss ("FVTPL"); and
- Amortised cost

The Group is required to make disclosures about the inputs to fair value measurements, including their classification within a hierarchy that prioritises the inputs to fair value measurement. The three levels of the fair value hierarchy are:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at 31 December 2025 and 2024, the Group's financial instruments consist of cash and cash equivalent, trade and other receivables, trade payables, accruals, borrowings, lease liabilities and convertible debentures. Cash and cash equivalent, trade and other receivables, trade payables and accruals are classified as measured at amortised costs and their fair values approximate their carrying values because of the short-term nature of these instruments. Convertible debentures are classified as measured at FVTPL in accordance with Level 3, see note 15 for details.

METATEK-GROUP LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025 AND 2024

18 Market risk

Market risk management

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

Foreign exchange risk

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the reporting date are as follows:

	Assets		Liabilities	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
British Pound	106	250	829	1,641
Canadian Dollar	-	-	84	123
Egyptian Pound	12	42	-	1
Japanese Yen	23	23	-	-
Euro	34	-	172	-
Singapore Dollar	1,252	-	22	-
Malaysian Ringgit	2,953	-	20	-
	<u>4,380</u>	<u>315</u>	<u>1,127</u>	<u>1,765</u>

Foreign exchange risk arises when individual group entities enter into transactions denominated in a currency other than their functional currency. The Group's policy is, where possible, to allow group entities to settle liabilities denominated in their functional currency with the cash generated from their own operations in that currency.

The Group aims to fund expenses and investments in their retrospective currency to manage foreign exchange risk at a local level by matching the currency in which revenue is generated and expenses are incurred.

The Group does not have a policy to hedge its foreign currency risk.

Interest rate risk

Interest rate risk arises when individual Group entities enter into loans with variable rates. The Group's debt is currently all on fixed rates which minimises the risk arising from interest rates.

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. The Group also seeks to reduce liquidity risk by fixing interest rates (and hence cash flows) on all of its long-term borrowings, this is further discussed in the 'interest rate risk' section above. See note 19 for details of contractual financial liabilities maturities.

Credit risk

Credit risk is the risk that a counterparty will fail to perform its obligations to the Group. The Group's credit risk mainly comes from accounts receivable. This is mitigated through credit policies that limit transactions according to counterparties' creditworthiness, which is assessed by considering their financial position, past experience and other factors. The Group's customers are largely well established companies or government organisations with a history of prompt payment. Accounts receivable amounts are presented net of any allowance for expected credit losses. See note 11 for details.

METATEK-GROUP LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025 AND 2024

19 Liquidity risk

The following table details the remaining contractual maturity for the Group's financial liabilities with agreed repayment periods. The contractual maturity is based on the earliest date on which the Group may be required to pay.

	3 months to 1 year US\$'000	1 – 5 years US\$'000	Total US\$'000
At 31 December 2024			
Trade payables	736	-	736
Accruals	1,709	-	1,709
Other payables	100	-	100
Lease liabilities	82	341	423
Bank loans	12	7	19
Other loans	2,008	6,604	8,612
	<u>4,647</u>	<u>6,952</u>	<u>11,599</u>
At 31 December 2025			
Trade payables	1,459	-	1,459
Accruals	2,226	-	2,226
Other payables	65	-	65
Lease liabilities	79	208	287
Bank loans	8	-	8
Other loans	508	5,948	6,456
	<u>4,345</u>	<u>6,156</u>	<u>10,501</u>

Liquidity risk management

Responsibility for liquidity risk management rests with the board of directors. The Group manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

20 Retirement benefit schemes

	2025 US\$'000	2024 US\$'000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>101</u>	<u>124</u>

The group operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Group in an independently administered fund.

METATEK-GROUP LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025 AND 2024

21 Share-based payments

On 10 March 2024, the company granted 3,425,000 share options to group employees under its share-based payment scheme. The exercise price is US\$0.50.

On 31 March 2025, the company granted 3,250,000 share options to group employees under its share-based payment scheme. The exercise price ranges between US\$0.50 and US\$2.00.

All options vest in equal tranches over a four-year period, subject to the continued employment of the relevant participants.

	Number of share options		Average exercise price	
	2025	2024	2025 US\$'000	2024 US\$'000
Outstanding at 1 January	1,712,500	-	-	-
Granted in the period	1,625,000	1,712,500	0.94	0.64
Outstanding at 31 December	<u>3,337,500</u>	<u>1,712,500</u>	<u>0.94</u>	<u>0.64</u>
Exercisable at 31 December	<u>1,690,625</u>	<u>856,250</u>	<u>0.94</u>	<u>0.64</u>

Options granted during the year

The determination of the fair value of the options granted in the year are set out below. Fair value was measured using the Black-Scholes model.

	2025	2024
Grant date	31 March 2025	10 March 2024
Weighted average fair value	0.94	0.64
Inputs for model:		
- Average share price	0.71	0.50
- Weighted average exercise price	1.00	0.50
- Expected volatility	45%	50%
- Expected life	10	10
- Risk free rate	2.470%	3.235%
- Expected dividends yields	-	-

The volatility assumption, measured at the standard deviation of expected share price returns, is based on the prior equity raise.

METATEK-GROUP LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025 AND 2024

21 Share-based payments

Options outstanding

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Grant date	Expiry date	Exercise price	2025 Number	2024 Number
10 March 2024	9 March 2034	\$1.00	-	1,712,500
31 March 2025	31 March 2035	\$1.00	625,000	-
31 March 2025	31 March 2035	\$2.00	500,000	-
31 March 2025	31 March 2035	\$4.00	500,000	-
			<u>1,625,000</u>	<u>1,712,500</u>
			2025 US\$'000	2024 US\$'000
Expenses				
Related to equity settled share based payments			<u>1,063</u>	<u>777</u>

22 Share capital

Ordinary share capital	2025 Number	2024 Number	2025 US\$'000	2024 US\$'000
Issued	<u>30,688,716</u>	<u>30,638,716</u>	<u>12,864</u>	<u>12,814</u>

Reconciliation of movements during the year:

	Number	US\$
At 1 January 2024	28,866,132	12,314
Share issued under contingent equity option	772,585	-
Term loan financing fee	<u>1,000,000</u>	<u>500</u>
At 31 December 2024	<u>30,638,716</u>	<u>12,814</u>
At 1 January 2025	30,638,716	12,814
Term loan financing fee	<u>50,000</u>	<u>50</u>
At 31 December 2025	<u>30,688,716</u>	<u>12,864</u>

METATEK-GROUP LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025 AND 2024

22 Share capital

Certain ordinary shares outstanding at January 1, 2023, including the 5,923,514 ordinary shares issued in January 2023, are subject to an option contained in the applicable share subscription agreements. Under this option, the Company is required to use reasonable commercial efforts to complete a liquidity event within 12 months from the closing date of the applicable share issuance. A liquidity event is defined in the agreements as a transaction or series of transactions resulting in a business combination, reorganization, or the listing of the Company's shares on a recognized stock exchange.

If a liquidity event is not completed within this 12-month period, the holders have the right to receive an additional 0.1 of an ordinary share for each ordinary share subscribed for, for no additional consideration.

During the year ended December 31, 2024, the Company issued 772,586 common shares under terms of this option. The option did not create a financial liability or a derivative, as both the host instrument and the embedded feature meet the definition of an equity instrument under IAS 32, and accordingly the entire instrument is classified as equity.

In November 2024, the Company issued 850,000 shares in settlement of term loan fees totalling \$425,000 and 150,000 shares in settlement of term loan fees totalling \$75,000 to the term loan providers.

In April 2025, the Company issued 50,000 shares in settlement of term loan fees totalling \$50,000 in settlement of term loan fees.

23 Warrants

On 17 December 2021, as part of an equity raise, four investors were granted warrants that gave them the option to purchase 350,175 shares at US\$1.00 per share. The warrants had a 2-year term to 17 December 2023. For one investor, the term was extended by 1 year and lapsed in 2024.

In 2024, warrants were attached to the convertible debentures issued in the year. See note 15 for details

Reconciliation of movements	Number	Ave exercise price US\$
At 1 January 2024	175,000	1.00
Issued	4,425,000	1.50
Exercised	-	-
Lapsed	(175,000)	1.00
	<u>4,425,000</u>	<u>1.50</u>
At 31 December 2024	4,425,000	1.50
	<u>4,425,000</u>	<u>1.50</u>
At 1 January 2025	4,425,000	1.50
Issued	-	-
Exercised	-	-
Lapsed	-	-
	<u>4,425,000</u>	<u>1.50</u>
At 31 December 2025	4,425,000	1.50

METATEK-GROUP LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025 AND 2024

24 Contingent liabilities

In the ordinary course of business, the Group may be exposed to claims against them. The Group assesses the validity of any claim it receives and provision is made when payment seems probable and a reliable estimate can be made of the amount. There are no claims outstanding as at 31 December 2025 or 2024.

25 Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of debt, cash and cash equivalents and equity comprising share capital, reserves and retained earnings. The Company reviews the capital structure annually and as part of this review considers that cost of capital and the risks associated with each class of capital.

The Group is not subject to any externally imposed capital requirements.

26 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, including directors, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures.

	2025 US\$'000	2024 US\$'000
Short-term employee benefits	602	631
Post-employment benefits	54	49
Share-based payments	501	272
	<u>1,157</u>	<u>952</u>

Other information

Included within creditors is a loan amounting to US\$nil (2024: US\$7k) from a company in which the directors or their immediate family have significant interest.

The year the group was charged US\$120k in respect of advisory fees by a shareholder.

27 Supplemental cash flow

Summary of non-cash financing activities for the year ended 31 December 2025 and 2024:

	2025 US\$'000	2024 US\$'000
Shares issued to settle amounts payable for services received	50	500
	<u>50</u>	<u>500</u>

METATEK-GROUP LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025 AND 2024

28 Events after the reporting date

Since the year end, the following events have taken place:

1. IPO Transaction

On March 25, 2026, Metatek-Group Ltd. (the "Company") completed its initial public offering ("IPO") of common shares. The offering consisted of a treasury offering of 7,000,000 common shares at a price of C\$5.00 per share, for total gross proceeds to the Company of C\$35.0 million (approximately US\$25.0 million), and a secondary offering of 1,000,000 common shares at the same offering price, for aggregate gross proceeds of C\$5.0 million (approximately US\$3.6 million) to selling shareholders. The Company's common shares began trading on the Toronto Stock Exchange on March 25, 2026, under the symbol "MTEK."

2. Share Consolidation

In connection with the IPO, the Company completed a 2-for-1 consolidation of its common shares, pursuant to which two pre-consolidation common shares were consolidated into one post-consolidation common share. See note 10 for further details.

3. Conversion of Convertible Debentures

The Company's convertible debentures issued in 2024 (Note 15) were converted into common shares in accordance with their contractual conversion terms on a post consolidation basis. The conversion resulted in the extinguishment of the related financial liabilities, including the host debt and associated embedded derivative liabilities, and the issuance of 8,850,000 new common shares on a post-consolidation basis.

4. Warrant Modification and Exercise

Upon conversion of the convertible debentures, the terms of the warrants attached to the convertible debentures were modified to permit a cashless exercise option. Under this option, in lieu of paying the exercise price in cash, holders received a reduced number of common shares determined by reference to the IPO price. This resulted in the issuance of 1,243,881 new common shares on a post-consolidation basis.

5. Debt Repayment

Following the IPO, the Company used proceeds from the offering to repay the term loan note disclosed in Note 14. On March 27, 2026, total principal of \$6,754,369, together with outstanding interest, legal fees and a prepayment premium of \$413,068, was paid in full upon settlement.