

Planet Based Foods Global Inc.
Consolidated Financial Statements
December 31, 2024 and 2023
(Expressed in US Dollars)

To the Shareholders of Planet Based Foods Global Inc.:

Opinion

We have audited the consolidated financial statements of Planet Based Foods Global Inc. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2024 and December 31, 2023, and the consolidated statements of operations and comprehensive loss, changes in shareholders' deficit and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2024 and December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audits 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 Company in accordance with the ethical requirements that are relevant to our audits 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that as of December 31, 2024, the Company had an accumulated deficit, and incurred a net loss and an operating cash outflow for the year ended December 31, 2024. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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.

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

Other Information

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

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

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board 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 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 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 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 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 Company 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.

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

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 Jian-Kun Xu.

Vancouver, British Columbia

June 19, 2025

MNP LLP

Chartered Professional Accountants

Planet Based Foods Global Inc.
Consolidated Statements of Financial Position
(Expressed in US Dollars)

As at	Note	December 31, 2024	December 31, 2023
		\$	\$
Current Assets			
Cash		1,543	55,054
Accounts receivable and other receivables	5	17,275	37,161
Prepaid expenses		2,558	185,834
Inventory	6	-	96,305
		21,376	374,354
Non-Current Assets			
Equipment	7	-	133,472
Total Assets		21,376	507,826
Current Liabilities			
Accounts payable and accrued liabilities		1,377,764	853,785
Due to related parties	9	332,722	146,236
Short-term loans	8	8,220	152,108
Loans payable	12	290,445	-
		2,009,151	1,152,129
Long Term Liabilities			
Loans payable	12	-	238,063
Convertible debentures	13	159,538	207,062
Total Liabilities		2,168,689	1,597,254
Shareholders' Deficit			
Share capital	14	10,540,839	9,810,979
Contributed surplus	14	1,747,090	1,747,090
Accumulated other comprehensive loss		(24,441)	(73,957)
Accumulated deficit		(14,410,801)	(12,573,540)
Total Shareholders' Deficit		(2,147,313)	(1,089,428)
Total Liabilities and Shareholders' Deficit		21,376	507,826

Nature of operations and going concern (Note 1)
Subsequent event (Note 16)

Approved on Behalf of the Board of Directors on June 19, 2025

“Sigal Shapira” Director

Sigal Shapira

“Emrah Petorak” Director

Emrah Petorak

The accompanying notes are integral to these consolidated financial statements.

Planet Based Foods Global Inc.
Consolidated Statements of Operations and Comprehensive Loss
(Expressed in US Dollars)

For the years ended	Note	December 31, 2024	December 31, 2023
		\$	\$
Sales		217,931	227,268
Cost of sales	6	316,919	327,821
Gross loss		(98,988)	(100,553)
Operating Expenses			
Advertising		29,572	387,302
Consulting		346,431	462,874
Depreciation	7	40,588	49,641
Employee and related costs		416,074	688,915
Foreign exchange loss (gain)		2,355	(217)
General and administration		85,764	212,851
Insurance		19,024	96,849
Professional fees		107,790	134,421
Research and development		425,335	544,859
Stock based compensation	14	-	146,422
Transfer agent and regulatory		64,544	71,158
Travel and related		2,836	48,377
Total operating expenses		(1,540,313)	(2,843,452)
Other Income (Expenses)			
Loss on disposal equipment		(56,828)	-
Interest expenses		(129,664)	(36,469)
Loss on debt settlement		(1,486)	-
Other gain	12	-	29,065
Other income (expenses)		26,074	(7,335)
Impairment	7	(36,056)	-
		(197,960)	(14,739)
Net Loss		(1,837,261)	(2,958,744)
Other Comprehensive Income (Loss)			
Foreign exchange translation adjustment		49,516	(15,806)
Total Comprehensive Loss		(1,787,745)	(2,974,550)
Basic and diluted loss per common share		(0.10)	(0.25)
Weighted average number of common shares outstanding – Basic and diluted			
		17,794,133	11,906,042

The accompanying notes are integral to these consolidated financial statements.

Planet Based Foods Global Inc.
Consolidated Statements of Changes in Shareholders' Deficit
(Expressed in US Dollars)

	Number of Subordinated Voting Shares #	Subordinated Voting Shares \$	Number of Multiple Voting Shares #	Multiple Voting Shares \$	Contributed Surplus \$	AOCI \$	Accumulated Deficit \$	Shareholders' Equity (Deficit) \$
Balance - December 31, 2022	10,247,138	8,526,864	800,000	1,211,248	1,588,875	(58,151)	(9,614,796)	1,654,040
Shares issued from RSU's exercised (note 14 (d))	100,000	72,867	-	-	(72,867)	-	-	-
Convertible debentures (note 13)	-	-	-	-	65,661	-	-	65,661
Loan payable (note 12)	-	-	-	-	15,243	-	-	15,243
Issuance of restricted share units (note 14 (d))	-	-	-	-	150,178	-	-	150,178
Net loss and comprehensive loss for the year	-	-	-	-	-	(15,806)	(2,958,744)	(2,974,550)
Balance - December 31, 2023	10,347,138	8,599,731	800,000	1,211,248	1,747,090	(73,957)	(12,573,540)	(1,089,428)
Shares issued for cash (note 14 (a))	10,000,000	729,860	-	-	-	-	-	729,860
Net loss and comprehensive loss for the year	-	-	-	-	-	49,516	(1,837,261)	(1,787,745)
Balance - December 31, 2024	20,347,138	9,329,591	800,000	1,211,248	1,747,090	(24,441)	(14,410,801)	(2,147,313)

The accompanying notes are integral to these consolidated financial statements.

Planet Based Foods Global Inc.
Consolidated Statements of Cash Flows
(Expressed in US Dollars)

For the years ended	Note	December 31, 2024 \$	December 31, 2023 \$
Net Loss for the Year		(1,837,261)	(2,958,744)
Adjustment for Items not Involving Cash:			
Accrued interest and accretion		99,815	29,051
Depreciation	7	40,588	49,641
Foreign exchange gain or loss - unrealized		23,501	(3,361)
Impairment loss		36,056	-
Loss on equipment disposal		56,828	-
Loss on debt settlement		1,486	-
Other gain		-	(29,065)
Stock based compensation	14	-	146,422
Changes in Non-cash Working Capital:			
Accounts receivable and other receivables		18,381	257,295
Prepays expenses		102,146	(45,997)
Inventory		96,305	335,488
Accounts payable and accrued liabilities		534,543	380,752
Net Cash Used in Operating Activities		(827,612)	(1,838,518)
Cash Flows Provided by Financing Activities			
(Net payments to) proceeds from loans payable	8, 12	(142,209)	418,506
Proceeds from related parties	9	186,486	138,236
Proceeds from convertible debentures	13	-	254,595
Proceeds from Issuance of common stocks	14	729,860	-
Net Cash Provided by Financing Activities		774,137	811,337
Effect of Foreign Exchange on Cash		(36)	(484)
Net Decrease in Cash		(53,511)	(1,027,665)
Cash – Beginning of Year		55,054	1,082,719
Cash – End of Year		1,543	55,054

The accompanying notes are integral to these consolidated financial statements.

1. Nature of Operations and Going Concern

Planet Based Foods Global Inc. (the “Company” or “PBF Global”), formerly known as Digital Buyer Technologies Corp. (“Digital”), was incorporated on February 18, 2017 under the Business Corporations Act (British Columbia). The Company’s head office is located at Suite 2250 – 1055 West Hastings Street, Vancouver.

A wholly owned subsidiary of the Company, Planet Based Foods Inc. (“PBF”), was incorporated on October 9, 2018, under the laws of the State of California, United States. PBF’s primary focus is development of vegan meat-analog based products, made primarily from hemp plant derived proteins. PBF utilizes co-packer relationships to manufacture and package its products for the wholesale market, including sales to restaurants and to resellers of Consumer Packaged Goods (“CPG”). PBF’s branding and trademarks include the acronym: H.E.M.P. “Honorable Ethical Moral Protein.” PBF’s head office is located at 2869 Historic Decatur Road, San Diego, California 92106.

Another wholly owned subsidiary, Planet Based Foods Europe Ltd. (“PBF Europe”) was incorporated on March 13, 2023 in England and Wales. PBF Europe has no operation since its incorporation.

Subsequent to December 31, 2024, the Company completed its strategic reorganization pursuant to the terms of a Share Purchase Agreement with PBF and certain insiders of the Company (together, the “Purchasers”), where all outstanding shares of PBF were transferred to the Purchasers in exchange for the surrender of their securities in the Company, and PBF transferred to the Company its proprietary recipes, trademarks, and related intellectual property assets (the “IP”) in return for the Company forgiving approximately \$5.5 million in intercompany debt and granting PBF an exclusive license for the use of the IP within the United States, in exchange for a royalty on revenues derived therefrom (Note 16).

These consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to realize its assets and satisfy its liabilities in the normal course of business for the foreseeable future.

As of December 31, 2024, the Company had an accumulated deficit of \$14,410,801 since inception. The Company also incurred a net loss of \$1,837,261 and an operating cash outflow of \$827,612 for the year ended December 31, 2024. Accordingly, there is a material uncertainty that may cast significant doubt on Company’s ability to continue as going concern. The continued operations of the Company are dependent on future profitable operations, management’s ability to manage costs and the future availability of equity or debt financing. Whether and when the Company can generate sufficient operating cash flows to pay for its expenditures and settle its obligations as they fall due is uncertain. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption inappropriate. These adjustments could be material.

These consolidated financial statements were approved and authorized for issue by the board of directors on June 19, 2025.

2. Basis of Presentation

Statement of Compliance

These consolidated financial statements of the Company and its subsidiaries are prepared in accordance with IFRS® Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

2. Basis of Presentation (continued)

Basis of Measurement

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at their fair value as explained in the accounting policies set out below.

3. Use of Judgments and Estimates

The preparation of financial statements requires the Company to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of financial statements and reported amounts of expenses during the period. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

The following are the critical judgments and areas involving estimates that management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amount recognized in the consolidated financial statements.

Going concern

Management has applied judgements in the assessment of the Company's ability to continue as a going concern when preparing these consolidated financial statements. Management prepares the consolidated financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. The assessment of the Company's ability to execute its strategy and finance the operations through achieving positive cash flow from operations or by obtaining additional funding through debt or equity financing involves judgments. Management monitors future cash requirements to assess the Company's ability to realize assets and discharge its liabilities in the normal course of operations.

4. Material Accounting Policies

The accounting policies set out below have been applied consistently to all years presented in the consolidated financial statements.

Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and the Company's wholly owned subsidiaries, PBF and PBF Europe. A subsidiary is the entity over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary is fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases. All significant intercompany transactions and balances have been eliminated.

4. Material Accounting Policies (continued)

Foreign currency translation

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company is the Canadian dollar, PBF is US dollar, and PBF Europe is Great British Pound. The presentation currency of the Company is US dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, “The Effects of Changes in Foreign Exchange Rates”.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction.

Assets and liabilities of an entity that has a functional currency that is different from presentation currency are translated at exchange rate at the reporting date and the income and expenses are translated at the average exchange rate during the reporting period. Gains and losses resulting from translation adjustments are recorded as other comprehensive income (loss) and accumulated in a separate component of shareholders’ equity, described as accumulated comprehensive income (loss).

Cash

Cash includes cash held with financial institutions and cash on hand.

Financial Instruments

The Company’s financial instruments consist of cash, accounts receivable and other receivables (excluding tax receivables), accounts payable and accrued liabilities, due to related parties, short-term loans, loan payable, and convertible debentures.

Financial assets

- **Initial recognition and measurement:**
Non-derivative financial assets within the scope of IFRS 9 are classified and measured as “financial assets at fair value”, as either fair value through profit or loss (“FVTPL”) or fair value through other comprehensive income (“FVOCI”), and “financial assets at amortized cost”, as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company’s business model and the contractual terms of the cash flows. All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVTPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.
- **Subsequent measurement – financial assets at amortized cost:**
After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate (“EIR”) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The Company has classified its cash and accounts receivable and other receivable (excluding tax receivables) as amortized cost.
- **Derecognition**
A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

4. Material Accounting Policies (continued)

Financial Instruments (continued)

- Impairment of financial assets

The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

Financial liabilities

- Initial recognition and measurement

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVTPL. The Company's financial liabilities include accounts payable and accrued liabilities, due to related parties, short-term loans, loans payable and convertible debentures. These are each measured at amortized cost. All financial liabilities are recognized initially at fair value, less all directly attributable transaction costs.

- Subsequent measurement – financial liabilities at amortized cost

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

- Derecognition

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

Fair value hierarchy

IFRS 13 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 – Value based on unadjusted quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – Valuation techniques based on inputs other than quoted prices that are observable for assets or liabilities, either directly (ie. as prices) or indirectly (ie. derived from prices); and

Level 3 – Valuation techniques using inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

As of December 31, 2024 and 2023, the Company's financial instruments are not recorded at fair value. The carrying value of the Company's financial instruments approximate their fair values either due to their short-term nature or as the effective interest rate was similar to the market interest rate.

4. Material Accounting Policies (continued)

Equipment

Equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of operations and comprehensive loss during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the statement of operations and comprehensive loss.

Amortization is calculated on a straight-line method to write off the cost of the assets to their residual values over their estimated useful lives. The amortization rates applicable to each category of property and equipment are as follows:

- Production Equipment 5 years

Impairment of non-financial assets

At each reporting period, the Company assesses whether there are indicators of impairment for its non-financial assets. If indicators exist, the Company determines if the recoverable amount of the asset or cash generating unit ("CGU") is greater than its carrying amount. A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or groups of assets.

If the carrying amount exceeds the recoverable amount, the asset or CGU is recorded at its recoverable amount with the reduction recognized in profit or loss. The recoverable amount is the greater of the value in use or fair value less costs to sell. Fair value is the amount the asset could be sold for in an arm's length transaction. The value in use is the present value of the estimated future cash flows of the asset from its continued use. The fair value less costs to sell considers the continued development of a property and market transactions in a valuation model.

Impairments are reversed in subsequent periods when there has been an increase in the recoverable amount of a previously impaired asset or CGU and these reversals are recognized in profit or loss. The recovery is limited to the original carrying amount less depreciation, if any, that would have been recorded had the asset not been impaired.

Inventory

Inventories are valued at the lower of cost and net realizable value with cost being determined on a first-in, first-out basis. The cost of inventories comprises costs of raw materials, tolling charge and costs incurred bringing the inventories to their present location. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated selling costs. In determining inventory valuation, any obsolete or damaged inventory was written down to net realizable value.

4. Material Accounting Policies (continued)

Revenue recognition

Revenue is recognized by applying the five-step model under IFRS 15 Revenue from Contracts with Customers (“IFRS 15”). The Company recognizes revenue when, or as, the goods or services are transferred to the control of the customer and performance obligations are satisfied.

The Company generates its revenue from the sale of products. The Company’s revenue is recognized when control of the goods has been transferred, being when the goods are delivered to customers and when all performance obligations have been fulfilled. The amounts recognized as revenue represent the fair value of the consideration received or receivable from third parties on the sales of goods, net of goods and services taxes and less returns, and discounts, at which time there are no conditions for the payment to become due other than the passage of time.

Performance obligations are satisfied at the point in time when products are delivered based on the volumes to customers at contractual delivery points, and prices have been agreed to with the purchaser and collectability is reasonably assured.

The Company provides sales chargeback to its customers to promote the Company’s products. The chargeback is negotiated and agreed between the Company and its customers before settlement of account receivables. The revenue is recognized based on net sales amount excluding sales chargeback.

Convertible debenture

Upon issuance, convertible debentures are allocated among host debt, free stand warrants issued with the debenture, coupon interest which the Company is not obligated to repay with cash, and the conversion feature on initial recognition. On initial recognition, the host debt is accounted at fair value using discounted future cash obligation on debt principal at effective interest rate, the free stand warrants are measured at fair value using the Black Scholes pricing model. On initial recognition, the residual of total proceeds less the fair value of the host debt and free stand warrants is allocated between coupon interest and conversion feature based on number of shares to be converted for the coupon interest and principal at maturity, both of which are recorded in equity. The host debt is subsequently carried at amortized cost using the effective interest rate method; the liability is accreted to the principal amount of the convertible debt over the term of the convertible debt. Accretion is expensed to the consolidated statement of operations and comprehensive loss.

Share-based payments transactions

The Company’s stock-based compensation includes grants of stock options and restricted share units (“RSUs”). The stock option plan allows Company directors, officers and technical consultants to acquire shares of the Company. The fair value of share purchase options granted is recognized as an employee or consultant expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. The fair value is measured at grant date and the share-based compensation is expensed based on graded vesting. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value of the share purchase options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the share purchase options were granted. Forfeiture rates are estimated in advance and are used in the estimate of the share-based expense for the consolidated financial statement period. Equity-settled share-based payment transactions with non-employees are measured at the fair value of the goods or services received.

However, if the fair value cannot be estimated reliably, the share-based payment transaction is measured at the fair value of the equity instruments granted at the date the non-employee receives the goods or the services.

The Company accounts for RSUs issued to employees and non-employees (consultants and advisory board members) based on the fair market value of the Company’s subordinate voting share as of the date of issuance.

4. Material Accounting Policies (continued)

Warrants

Proceeds from issuances by the Company of units consisting of subordinate voting shares and warrants other than the straight warrants are allocated based on the residual method, whereby the carrying amount of the warrants is determined based on any difference between gross proceeds and the estimated fair market value of the subordinate voting shares. If the proceeds from the offering are less than or equal to the estimated fair market value of subordinate voting shares issued, a nil carrying amount is assigned to the warrants.

Income taxes

Current tax

Current tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income. Current tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognized, using the asset and liability method, on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

4. Material Accounting Policies (continued)

Basic and Diluted Loss Per Share

The Company presents basic and diluted loss per share data for its subordinate voting shares, calculated by dividing the loss attributable to subordinate voting shareholders of the Company by the weighted average number of subordinate voting shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to subordinate voting shareholders or the weighted average number of subordinate voting shares outstanding when the effect is anti-dilutive.

Comprehensive Income (Loss)

Comprehensive income (loss) is the overall change in the net assets of the Company for a period, other than changes attributable to transactions with shareholders. It is made up of net income (loss) and other comprehensive income (loss). Other comprehensive income (loss) includes gains or losses, which IFRS requires recognizing in a period, but excluding from net income (loss) for that period.

Recent accounting pronouncements and future changes in accounting standards

Certain pronouncements have been issued by the IASB that are effective for accounting periods beginning on or after January 1, 2025.

Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

In May 2024, the International Accounting Standards Board (IASB) issued narrow scope amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures. The amendments provide clarification that a financial liability is derecognized on the 'settlement date', provide an accounting policy option to derecognize a financial liability that is settled in cash using an electronic payment system before the settlement date if specified criteria are met, clarify how to assess the contractual cash flow characteristics of financial assets with contingent features, clarify that, for a financial asset to have 'non-recourse' features, the entity's ultimate right to receive cash flows must be contractually limited to the cash flows generated by specified assets, Clarify the characteristics of the contractually linked instruments that distinguish them from other transactions, and add new disclosure requirements for investments in equity instruments designated at fair value through other comprehensive income and financial instruments that have certain contingent features. The amendments are effective for annual reporting periods beginning on or after January 1, 2026. Earlier application is permitted. The amendments are to be applied retrospectively.

IFRS 18 Presentation and Disclosure in Financial Statements

The International Accounting Standards Board (IASB) published IFRS 18 Presentation and Disclosure in Financial Statements in April 2024 and will replace IAS 1. This new standard will help companies to provide information about their financial performance that is useful to users of financial statements in assessing the prospects for future net cash inflows to the company and in assessing management's stewardship of the company's economic resources. It represents the completion of a major standard-setting project on the presentation of financial statements and, therefore, will have significant implications for many companies reporting under IFRS. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, and is to be applied retrospectively for comparative periods.

The Company is currently evaluating the impact this standard may have on the consolidated financial statements.

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5. Accounts Receivable and Other Receivables

	December 31, 2024	December 31, 2023
	\$	\$
Accounts receivable	-	17,548
GST Receivable	17,275	19,613
	<u>17,275</u>	<u>37,161</u>

6. Inventory

	December 31, 2024	December 31, 2023
	\$	\$
Finished Goods Held for Sale	-	65,078
Raw Materials for Production	-	31,227
	<u>-</u>	<u>96,305</u>

The cost of inventory recognized as cost of sales during the year ended December 31, 2024 was \$316,919 (2023 - \$327,821). During the year, the Company write-downs of inventories for total of \$300,717 (2023 - \$306,479).

7. Equipment

Cost	Production Equipment
	\$
As at December 31, 2023 and 2022	254,206
Disposal	187,062
As at December 31, 2024	<u>67,144</u>
Accumulated Depreciation	
As at December 31, 2022	71,093
Depreciation Expense	49,641
As at December 31, 2023	<u>120,734</u>
Depreciation Expense	40,588
Disposal	(130,234)
Impairment	36,056
As at December 31, 2024	<u>67,144</u>
Net Book Value	
As at December 31, 2023	133,472
As at December 31, 2024	<u>-</u>

During the year ended December 31, 2024, the Company discontinued its production line and as a result, the impairment charges of \$36,056 were recorded to write down its equipment assets for the year ended December 31, 2024.

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8. Short-Term Loans

The Company's short-term loans payable balances at December 31, 2024 and December 31, 2023:

	VV8 Loan	Shareholder Loan	Total
	\$	\$	\$
As at December 31, 2022	-	-	-
Additions	148,080	-	148,080
Interest	1,218	-	1,218
Foreign currency exchange	2,810	-	2,810
As at December 31, 2023	152,108	-	152,108
Additions	14,864	8,220	23,084
Interest	3,607	-	3,607
Repayment	(165,372)	-	(165,372)
Foreign currency exchange	(5,207)	-	(5,207)
As at December 31, 2024	-	8,220	8,220

On December 1, 2023 and January 29, 2024, The Company received a loan of \$148,080 (CAD\$200,000) and \$14,864 (CAD\$20,000) from a shareholder of the Company ("VV8 Loan"). The Company agrees that the Principal Amount will accrue interest at the Bank of Canada rate of prime (7.2%) plus 2.8% for total interest of ten percent (10.00%) per annum paid monthly. The maturity date of the loan is February 28, 2024. The Company may pay the Loan in full at any time prior to the end of the Term without penalty. The loan and accrued interest has been paid in full during the year ended December 31, 2024.

During the year ended December 31, 2024, one of the Company's shareholders issued a short-term loan of \$8,220 to the Company. This loan is no interest bearing, due on demand and unsecured.

9. Related Party Transactions and Balances

	December 31, 2024	December 31, 2023
Transaction:	\$	\$
Transactions with Research & Development Director	68,000	96,000
Salary – CEO	96,154	129,808
Salary – COO/CFO	86,538	129,808
Consulting Fees with a Director	-	32,500
Accounting and related service by Secretary	67,685	88,231
Stock-Based Compensation (directors and officers)	-	142,692

9. Related Party Transactions and Balances (continued)

	December 31, 2024	December 31, 2023
<i>Balances:</i>	\$	\$
Amounts owing to CEO	121,204	68,890
Amounts owing to COO/CFO	109,246	77,346
Amounts owing to shareholder	102,272	-
Total	332,722	146,236

As at December 31, 2024, the Company had an account payable of \$76,003 (2023 - \$40,503) to the research & development director; \$10,000 (2023 - \$51,074) to a director, and \$87,810 (2023 - \$nil) to the secretary.

As at December 31, 2024, the Company had a loan payable \$40,738 (2023 - \$33,364) to the CEO, and \$96,823 (2023 - \$79,384) to the COO/CFO (note 12).

As at December 31, 2024, the Company had a short-term loan of \$8,220 (2023 - \$nil) from a shareholder (note 8).

These transactions are in the normal course of operations. The stock-based compensation is estimated at fair value, and the others are measured at the exchange amount, which is the amount agreed upon between the related parties.

10. Fair Value and Financial Instruments

Financial Instruments

The Company's financial instruments consist of cash, accounts receivable and other receivables (excluding tax receivables), accounts payable and accrued liabilities, due to related parties, short-term loans, loan payable, and convertible debentures.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash and cash equivalents and trade and other receivables. The Company limits its exposure to credit risk on cash and cash equivalents by depositing only with reputable financial institutions. Credit risk is primarily associated with trade receivables, as the Company grants credit to its customers in the normal course of business. Credit risk on trade receivables is minimized by performing credit reviews, ongoing credit evaluation and account monitoring procedures. All trade receivables were allowed for credit loss at December 31, 2024 due to long aging of the balance and the Company ceased operation in 2024.

Foreign exchange risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The functional currency of the Company is the Canadian dollar and the functional currency of PBF is US dollar. A significant change in the currency exchange rates between the US dollar relative to the Canadian dollar could have an effect on the Company's results of operations, financial position and cash flows. The Company has not entered into any derivative financial instruments to manage exposures to currency fluctuations. The fluctuation in the US dollar against the Canadian dollar would not have material impact on the Company's consolidated statements of operations and comprehensive loss, based on amounts held at year end.

10. Fair Value and Financial Instruments (continued)

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 market interest rates. The Company does not have floating rate debt.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company sole sources of funding was from issuance of Shares, shareholder loan, short-term loans, convertible debentures and revolving debt. The Company's access to financing has at times been uncertain. There can be no assurance of continued access to significant debt or equity funding.

11. Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor confidence and to sustain future development of the business. The capital structure of the Company consists of equity, comprising share capital, contributed surplus, net of accumulated deficit. The Company manages its capital structure through the preparation of operating budgets, which are approved by the Board of Directors. The Company manages its capital, consisting of shareholders' equity, in a manner consistent with the risk characteristics of the assets it holds. All sources of financing are analyzed by the management and approved by the board of directors.

The Company's objectives when managing capital are:

- to safeguard the Company's ability to continue as a going concern;
- to facilitate the completion of a corporate objectives.

The Company is meeting its objective of managing capital through its detailed review and performance of due diligence on all potential acquisitions, preparing short-term and long-term cash flow analysis to ensure an adequate amount of liquidity and monthly review of financial results. The Company is not exposed to any externally imposed requirements and the Company's overall strategy with respect to capital risk management has not changed from prior year.

12. Loan Payable

- a) On July 11, 2023, PBF received a loan of \$24,426 from a related party of the Company. The loan bears interest at a rate of 10% per annual. The maturity date of the loan is July 11, 2025 (the "Maturity Date"). The interest will be paid on the Maturity Date, calculated and accrued on the quarterly basis. Pursuant to the loan agreement, PBF agrees to pay an administrative fee of \$2,442 on the date when the loan is repaid.

PBF must repay the loan together with the administrative fee and all accrued and unpaid interest thereon, in full on the earliest of :

- (a) on the Maturity Date and
- (b) after an event of default, on the date of lender so demands.

The Company may at its sole discretion prepay all or any parts of the outstanding principle and accrued interest thereon of the loan, together with the administration fee, prior to the Maturity Date without notice or penalty.

The loan is recorded at fair value on initial recognition, which was determined to be \$21,334 using a discount rate of 22%, resulting in a total discounted of \$3,092. As the loan was provided by a related party of the Company, the discount was recorded as an equity contribution. During the year ended December 31, 2024, accretion expense of \$5,183 (2023-\$2,069) was recorded.

- b) On August 31, 2023, PBF received a loan of \$85,000 from a related party of the Company. The loan bears interest at a rate of 10% per annual. The maturity date of the loan is August 31, 2025 (the "Maturity Date"). The interest will be paid on the Maturity Date, calculated and accrued on the quarterly basis. Per suant to the loan agreement, PBF agrees to pay an administrative fee of \$8,500 on the date when the loan is repaid.

PBF must repay the loan together with the administrative fee and all accrued and unpaid interest thereon, in full on the earliest of :

- (a) on the Maturity Date and
- (b) after an event of default, on the date of lender so demands.

The Company may at its sole discretion prepay all or any parts of the outstanding principle and accrued interest thereon of the loan, together with the administration fee, prior to the Maturity Date without notice or penalty.

The loan is recorded at fair value on initial recognition, which was determined to be \$74,241 using a discount rate of 22%, resulting in a total discounted of \$10,759. As the loan was provided by a related party of the Company, the discount was recorded as an equity contribution. During the year ended December 31, 2024, accretion expense of \$17,437 (2023-\$5,145) was recorded.

- c) On October 26, 2023, PBF received a loan of \$11,000 from a related party of the Company. The loan bears interest at a rate of 10% per annual. The maturity date of the loan is October 26, 2025 (the "Maturity Date"). The interest will be paid on the Maturity Date, calculated and accrued on the quarterly basis. Per suant to the loan agreement, PBF agrees to pay an administrative fee of \$1,100 on the date when the loan is repaid.

PBF must repay the loan together with the administrative fee and all accrued and unpaid interest thereon, in full on the earliest of :

- (a) on the Maturity Date and
- (b) after an event of default, on the date of lender so demands.

The Company may at its sole discretion prepay all or any parts of the outstanding principle and accrued interest thereon of the loan, together with the administration fee, prior to the Maturity Date without notice or penalty.

12. Loan Payable (continued)

The loan is recorded at fair value on initial recognition, which was determined to be \$9,608 using a discount rate of 22%, resulting in a total discounted of \$1,392. As the loan was provided by a related party of the Company, the discount was recorded as an equity contribution. During the year ended December 31, 2024, accretion expense of \$2,192 (2023-\$353) was recorded.

- d) On October 27, 2023, PBF received a loan of \$150,000 from a third party of the Company. The loan bears interest at a rate of 10% per annum. The maturity date of the loan is October 27, 2025 (the “Maturity Date”). The interest will be paid on the Maturity Date, calculated and accrued on the quarterly basis.

PBF must repay the loan together with the administrative fee and all accrued and unpaid interest thereon, in full on the earliest of:

- (a) on the Maturity Date and
- (b) after an event of default, on the date of lender so demands.

The Company may at its sole discretion prepay all or any parts of the outstanding principle and accrued interest thereon of the loan, together with the administration fee, prior to the Maturity Date without notice or penalty.

The loan is recorded at fair value on initial recognition, which was determined to be \$120,935 using a discount rate of 22%, resulting in a total discounted of \$29,065, which was recorded as a gain on fair value for the year ended December 31, 2023. During the year ended December 31, 2024, accretion expense of \$27,570 (2023-\$4,379) was recorded.

13. Convertible Debentures

During the year ended December 31, 2023, the Company completed a private placement of unsecured convertible debenture units of the Company (the “Units”) for aggregate proceeds of \$254,595 (C\$341,000). Each Unit will be comprised of one unsecured convertible debenture in the principal amount of C\$1,000 bearing interest at 10% per annum calculated and paid on maturity, being 18 months from the date of issuance (a “Debenture”) and 1,000 subordinate voting share purchase warrants of the Company (each, a “Warrant”). Each Warrant is exercisable into one subordinate voting share at a price of C\$1.00 per warrant for a period of two years. Each Debenture is convertible at the holder’s option into fully paid subordinate voting shares of the Company at the conversion price of C\$0.50 at any time prior to the maturity date. The Company may elect, on its sole discretion, to pay all or a portion of the accrued and unpaid interest in subordinate voting shares at the conversion price of C\$0.50 upon maturity date.

As the convertible debenture has a conversion feature which meets the “fixed-for-foxed” condition, this conversion feature is considered as an equity instrument, and the equity and debt components must be bifurcated with value assigned to each as well as to warrants issued as part of the offering. The value assigned to the liability on the date of issuance was the present value of the contractually determined stream of future cash flows discounted at 22%, being the estimated rate that the market would apply to an instrument with comparable credit status and provide substantially the same cash flows, on the same terms, but without the conversion option. From the date of issuance, the liability component accretes up to its principal value using the effective interest method, with the charge recorded in finance expenses. The fair value assigned to the warrants on the date of issuance was based on the Black-Scholes option pricing model. Finally, the residual balance of proceeds on the offering was assigned to the conversion feature.

During the year ended December 31, 2024, \$72,951 (C\$107,000) of convertible debentures were settled against a prepaid expense related to an advertising campaign agreement the Company signed with the debenture holder. As a result, the related debt was derecognized, and a loss of \$1,486 was recognized in connection with the settlement of the convertible debenture.

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13. Convertible Debentures (continued)

The components of the Company's convertible debentures as of December 31, 2024 and December 31, 2023 are as follows:

	Liability Component	Equity Component	Warrants	Total
	\$	\$		\$
December 31, 2022	-	-	-	-
On date of issuances, net of transaction costs	188,934	37,967	27,694	254,595
Accretion and interest expense recognized during the year	15,887	-	-	15,887
Foreign exchange movement	2,241	-	-	2,241
December 31, 2023	207,062	37,967	27,694	272,723
Accretion and interest expense recognized during the year	43,828	-	-	43,828
Debt settlement	(72,951)	-	-	(72,951)
Foreign exchange movement	(18,401)	-	-	(18,401)
December 31, 2024	159,538	37,967	27,694	225,199

The fair value of warrants was estimated at transaction date using the Black-Scholes option pricing model with the following assumptions:

	assumptions
Share price at grant date	C\$0.20 – C\$0.25
Risk-free interest rate	4.60% - 4.81%
Expected life	1.5
Expected volatility	163.82% - 169.95%
Expected dividends	0.00%

14. Equity

a) Share Capital

Authorized: Unlimited subordinate voting shares without par value
Unlimited multiple voting shares without par value (Collectively, the "Shares")

The holders of the subordinate voting shares shall be entitled to notice of and to attend at any meeting of the shareholders of the Company, except a meeting of which only holders of another particular class or series of shares of the Company shall have the right to vote. At each such meeting holders of subordinate voting shares shall be entitled to one vote in respect of each subordinate voting share held.

The holders of MVS shall be entitled to notice of and to attend at any meeting of the shareholders of the Company, except a meeting of which only holders of another particular class or series of shares of the Company shall have the right to vote. At each such meeting, holders of multiple voting shares will be entitled to one vote in respect of each subordinate voting share into which such multiple voting share could ultimately then be converted, which for greater certainty, shall initially equal 2 votes per multiple voting share.

14. Equity (continued)

a) Share Capital (continued)

Subordinate Voting Shares

Issued and outstanding subordinate voting shares:

As of December 31, 2024, 20,347,138 (December 31, 2023 10,347,138) subordinate voting shares were issued and outstanding.

On May 31, 2024, the Company completed a non-brokered private placement of subordinate voting shares at a price of C\$0.10 per Share for gross aggregate proceeds of \$729,860 (CAD \$1,000,000).

On May 30, 2023, as a result of the conversion of RSU, the Company issued 100,000 subordinate voting shares. In relation to the conversion of RSU, the fair value of \$72,867 (CAD\$93,000) was allocated from reserves.

Multiple Voting Shares

As of December 31, 2024, 800,000 (December 31, 2023: 800,000) multiple voting shares were issued and outstanding.

Share Consolidation

During the year ended December 31, 2023, the Company completed a five to one share consolidation. All references to share and per share amounts in the consolidated financial statements and accompanying notes to the consolidated financial statements have been retroactively restated to reflect the five to one share consolidation.

b) Warrants

The following is a summary of warrant transactions for the year ended December 31, 2024 and year ended December 31, 2023:

	Number of Warrants	Weighted average exercise price	Weighted average remaining contractual life (year)
Balance at December 31, 2022	4,029,886	\$ 2.25	0.82
Warrants expired	(4,029,886)	\$ 2.25	-
Granted	341,000	\$ 0.75	1.61
Balance at December 31, 2023	341,000	0.75	1.61
Warrants cancelled	(107,000)	\$ 0.75	
Balance at December 31, 2024	234,000	\$ 0.75	0.60

14. Equity (continued)

b) Warrants (continued)

At December 31, 2024 and 2023, the warrants outstanding and exercisable were as follows:

Expiry Date	Exercise Price			Number of Warrants as at December 31, 2024	Number of Warrants as at December 31, 2023
August 4, 2025	\$ 0.75	CAD	\$ 1.00	167,000	274,000
August 25, 2025	\$ 0.74	CAD	\$ 1.00	67,000	67,000
				234,000	341,000

During the year ended December 31, 2023, as part of convertible debenture, the Company issued 341,000 warrants. Each Warrant is exercisable into one subordinate voting share at a price of C\$1.00 per warrant for a period of two years.

During the year ended December 31, 2024, as part of convertible debenture, the Company cancelled 107,000 warrants.

c) Stock Options

The Company has adopted an incentive share option plan (the “Stock Option Plan”), for the employees, directors, officers, consultants and employees of a person or company which provides management services to the Company or its associated, affiliated, controlled and subsidiary companies (the “Participants”), to grant such Participants stock options to acquire up to 10% of the Total Share Base from time to time. This is a “rolling” plan as the number of shares reserved for issuance pursuant to the grant of stock options will increase as the Company’s issued and outstanding share capital increases.

The continuity of stock options for the years ended December 31, 2024 and December 31, 2023 is as follows:

	December 31, 2024		December 31, 2023	
	Number of Options	Weighted Average Exercise Price \$	Number of Options	Weighted Average Exercise Price \$
Options outstanding and exercisable, beginning of the year	550,000	1.12	575,000	1.12
Granted	-	-	-	-
Expired	-	-	(25,000)	-
Options outstanding, end of year	550,000	1.12	550,000	1.12
Options exercisable, end of the year	550,000	1.12	550,000	1.12

14. Equity (continued)

c) Stock Options (continued)

The options outstanding at December 31, 2024 and 2023 are as follows:

Number of Option Outstanding	Granted Date	Expiry Date	Exercise Price	Weighted Average Remaining Contractual life as at December 31, 2024 (Years)	Weighted Average Remaining Contractual life as at December 31, 2023 (Years)
470,000	January 11, 2022	January 11, 2032	\$ 1.19 (CAD \$1.5)	7.03	8.04
80,000	August 17, 2022	August 17, 2025	\$ 0.72 (CAD\$0.925)	0.63	1.63
550,000			\$ 1.12 (CAD\$1.42)	6.10	7.10

d) Restricted Share Units (“RSUs”)

The Company approved a restricted share units (the “RSU”) plan on July 12, 2021, which RSU is designed to provide certain directors, officers, consultants and other key employees of the Company and its related entities with the opportunity to acquire restricted share of the Company. RSU may be redeemed by any holder of RSU to receive an award payout of either: (a) one subordinate voting share of the Company for each whole vested RSU; or, (b) at the Company’s election, a cash amount equal to the fair market value of one subordinate voting share of the Company of each whole vested RSU.

On May 30, 2023, 40,000 RSUs have been fully converted.

On June 27, 2023, the Company granted 494,000 RSUs to officers, employees and a consultant of the Company, in which 494,000 RSUs can be converted into subordinate voting shares immediately and will expire on December 1, 2026. As at December 31, 2023, the Company recorded a total share-based payment amount of \$146,422 (CAD\$197,600).

The continuity of RSU for the years ended December 31, 2024 and December 31, 2023 is as follows:

	Number of RSU's
Outstanding, December 31, 2022	260,000
Granted	494,000
Converted	(100,000)
Outstanding, December 31, 2024 and December 31, 2023	654,000
Exercisable, December 31, 2024 and December 31, 2023	654,000

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15. Income Tax

The following table reconciles the expected income taxes (recovery) at the Canadian corporate income tax rates to the amounts recognized in the statements of operations and comprehensive loss for the years ended December 31, 2024 and 2023:

	2024	2023
	\$	\$
Net loss before tax	(1,837,261)	(2,958,744)
Statutory tax rate	27%	27%
Expected income tax (recovery)	(496,060)	(798,861)
Non-deductible and other items	12	41,765
Tax effect of R&D credits and non-taxable items	-	5,526
Foreign Tax Rate Difference	(14,063)	(21,755)
Change in deferred tax asset not recognized	510,111	773,325
Total income tax expense (recovery)	-	-

The net deferred tax assets (liabilities) as at December 31, 2024 and 2023 are comprised of the following:

	2024	2023
	\$	\$
Net operating losses carryforward	12,901	37,345
Non-capital losses carryforward	13,306	13,306
Convertible debentures	(13,306)	13,306
Loans payable	(12,901)	(37,345)
Total deferred tax assets (liabilities)	-	-

The unrecognized deductible temporary differences as at December 31, 2024 and 2023 are comprised of the following:

	2024	2023
	\$	\$
Intangible assets	243,421	231,711
R&D Credits	-	9,477
Net operating losses carryforwards	8,386,758	6,684,326
Non-capital loss carryforwards	2,711,245	2,391,749
Financing costs	85,127	181,522
Unrecognized deductible temporary differences	11,426,551	9,498,785

The Company has net operating losses carryforwards of approximately \$8,386,758 (2023: \$6,684,326) which may be carried forward to apply against future year income for United States income tax purposes, subject to the final determination by taxation authorities, expiring in the following years:

	\$
No expiry	8,386,758
Total	8,386,758

15. Income Tax (continued)

The Company has non-capital loss carryforwards of approximately \$2,711,245 (2023: \$2,391,749), which may be carried forward to apply against future year income for Canadian income tax purposes, subject to the final determination by taxation authorities, expiring in the following years:

	\$
2036	9,587
2037	286,418
2038	47,393
2040	206,871
2041	277,190
2042	832,887
2043	626,057
2044	424,843
Total	<u>2,711,245</u>

16. Subsequent Event

Subsequent to December 31, 2024, the Company closed its strategic reorganization pursuant to the terms of a Share Purchase Agreement dated April 2, 2025 with PBF, a private California-based company, and certain insiders of the Company (together, the "Purchasers"). This reorganization was approved by shareholders and regulatory body.

As part of the transaction, all outstanding shares of PBF were transferred to the Purchasers in exchange for the surrender of their securities in the Company. This resulted in the cancellation and return to treasury of 800,000 multiple voting shares and 600,000 subordinate voting shares of the Company. In addition to the share transfer, PBF transferred to the Company its proprietary recipes, trademarks, and related intellectual property assets (the "IP") in return for the Company forgiving approximately \$5.5 million in intercompany debt and granting PBF an exclusive license for the use of the IP within the United States, in exchange for a royalty on revenues derived therefrom.