

Ecolomondo Corporation
Interim Condensed Consolidated
Financial Statements
March 31, 2025

Unaudited Interim Condensed Consolidated
Financial Statements

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Ecolomondo Corporation

Condensed Consolidated Statements of Financial Position

March 31, 2025 and December 31, 2024

(In Canadian dollars)

(Unaudited)

	2025-03-31	2024-03-31	2024-12-31
	\$	\$	\$
ASSETS			
Current			
Cash	449,019	4,515	119,331
Trade and other receivables	386,814	316,138	318,071
Prepaid expenses and deposits	102,580	213,387	704,234
Inventory	141,188	-	137,368
Total current assets	1,079,601	534,040	1,279,004
Non-current			
Property, plant and equipment (Note 4)	49,856,991	45,481,969	48,401,314
Total non-current assets	49,856,991	45,481,969	48,401,314
Total assets	50,936,592	46,016,009	49,680,318
LIABILITIES AND EQUITY			
Current			
Bank advance	-	-	32,525
Trade and other payables	1,006,282	1,559,609	1,196,071
Deposit from a potential future partner	2,731,440	2,574,500	2,733,910
Advances from a company under common control (Note 11)	-	1,178,034	1,585,274
Deferred revenues	1,000,000	1,000,000	1,000,000
Current portion of long term debt (Notes 6, 14)	4,525,417	1,305,000	3,233,750
Total current liabilities	9,263,139	7,617,143	9,781,530
Non-current			
Advances from a company under common control (Note 11)	1,585,274	-	-
Long term debt (Notes 6, 14)	41,335,412	36,728,738	39,817,264
Warrant liabilities (Note 7)	148,926	-	182,240
Total non-current liabilities	43,069,612	36,728,738	39,999,504
Total liabilities	52,332,751	44,345,881	49,781,034
EQUITY			
Common shares (Note 7)	25,711,719	26,501,926	25,711,719
Options (Note 7)	4,806,417	4,609,281	4,806,417
Warrants (Note 7)	130,583	-	130,583
Accumulated deficit	(32,044,878)	(29,441,079)	(30,749,435)
Total equity	(1,396,159)	1,670,128	(100,716)
Total liabilities and equity	50,936,592	46,016,009	49,680,318

Going concern (Note 2)

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

On behalf of the Board,

/s/ Eliot Sorella
Director

/s/ Donald Prinsky
Director

Ecolomondo Corporation

Interim Condensed Consolidated Statements of Loss and Comprehensive Loss

For the three-months period ended March 31, 2025 and 2024

(In Canadian dollars, except for number of shares)

(Unaudited)

	3 month period 2025-03-31	3 month period 2024-03-31	2024-12-31
	\$	\$	\$
Revenues (Note 5)	193,681	104,995	612,284
Other income (loss)	<u>3,993</u>	<u>4,220</u>	<u>(130,637)</u>
	197,674	109,215	481,647
Expenses			
General and administrative expenses (Note 8)	151,666	411,217	1,021,784
Operating expenses (Note 8)	1,000,454	872,864	2,841,694
Financial expenses	374,311	356,847	989,383
Gain on long term debt revaluation	-	-	(547,101)
(Gain) loss on revaluation of warrant liability (Note 7)	(33,314)	-	182,240
Total expenses	<u>1,493,117</u>	<u>1,640,928</u>	<u>4,488,000</u>
Loss before income taxes	<u>(1,295,443)</u>	<u>(1,531,713)</u>	<u>(4,006,353)</u>
Income taxes	-	-	-
Deferred	-	-	-
Net loss and comprehensive loss	<u>(1,295,443)</u>	<u>(1,531,713)</u>	<u>(4,006,353)</u>
Net loss per share			
Basic and diluted	<u>(0.01)</u>	<u>(0.01)</u>	<u>(0.02)</u>
Weighted average number of common shares outstanding, basic and diluted	<u>217,497,358</u>	<u>214,397,773</u>	<u>215,814,602</u>

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

Ecolomondo Corporation

Interim Condensed Consolidated Statements of Changes in Equity

For the three-months period ended March 31, 2025 and 2024

(In Canadian dollars, except for number of shares)

(Unaudited)

	2025-03-31				
	Number of class "A" shares outstanding	Share capital	Options	Warrants	Deficit
		\$	\$	\$	\$
Balance, December 31, 2024	217,497,358	25,711,719	4,806,417	130,583	(30,749,435)
Issuance of share capital	-	-	-	-	-
Stock-based compensation	-	-	-	-	-
Net loss for the three-month period ended March 31, 2025	-	-	-	-	(1,295,443)
Balance, March 31, 2025	217,497,358	25,711,719	4,806,417	130,583	(32,044,878)
	2024-03-31				
	Number of class "A" shares outstanding	Share capital	Options	Warrants	Deficit
		\$	\$	\$	\$
Balance, December 31, 2023	188,765,150	21,836,789	4,382,371	-	(26,743,082)
Issuance of capital shares (Note 7)	25,917,430	4,665,137	-	-	-
Stock-based compensation (Note 7)	-	-	226,910	-	-
Net loss for the three-month period ended March 31, 2024	-	-	-	-	(1,531,713)
Balance, March 31, 2024	214,682,580	26,501,926	4,609,281	-	(28,274,795)

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

Ecolomondo Corporation

Interim Condensed Consolidated Statements of Cash Flows

For the three-months period ended March 31, 2025 and 2024

(In Canadian dollars, except for number of shares)

(Unaudited)

	3 month period 2025-03-31	3 month period 2024-03-31	2024-12-31
	\$	\$	\$
OPERATING ACTIVITIES			
Net loss	(1,295,443)	(1,531,713)	(4,006,353)
Non-cash items			
Interest on long term debt (Note 6)	333,191	351,282	989,383
Depreciation of property, plant and equipment (Note 4)	129,000	129,000	516,000
Stock-based compensation	-	226,910	424,046
Loss (gain) on revaluation of warrant liability	(33,314)	-	182,240
Unrealized foreign exchange loss (gain)	(2,470)	61,560	220,970
Depreciation of right of use assets	-	22,129	22,129
Changes in working capital items (Note 9)	306,777	(5,441)	(1,111,400)
Gain on debt revaluation	-	-	(547,101)
Government assistance	-	-	(60,000)
Net cash provided by (used for) operating activities	(562,259)	(746,273)	(3,370,086)
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	(1,088,053)	(446,334)	(713,975)
Net cash used for investing activities	(1,088,053)	(446,334)	(713,975)
FINANCING ACTIVITIES			
Issuance of long term debt (Note 6)	2,000,000	-	3,000,000
Advances from a company under common control	-	1,148,034	1,555,274
Private placement	-	-	506,660
Repayment of lease liabilities	-	(19,184)	(19,184)
Repayment of long term debt (Note 6)	(20,000)	(20,000)	-
Net cash provided by financing activities	1,980,000	1,108,850	5,042,750
Net increase (decrease) in cash	329,688	(83,757)	31,059
Cash, beginning of period	119,331	88,272	88,272
Cash, end of period	449,019	4,515	119,331

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

Ecolomondo Corporation

Notes to Interim Condensed Consolidated Financial Statements

For the three-month period ended March 31, 2025

(In Canadian dollars, except for number of shares)

(Unaudited)

1 - GOVERNING STATUTES AND NATURE OF OPERATIONS

Ecolomondo Corporation (the "Company") was incorporated on September 30, 2015 under the Canada Business Corporations Act.

The Company is a clean tech company focused on global deployment of TDP turnkey facilities using its proprietary Thermal Decomposition Process ("TDP") using a pyrolysis platform that converts hydrocarbon waste into marketable commodity end-products, namely carbon black substitute, oil, gas and steel.

The Company's planned principal business is the manufacture and sale of turnkey facilities based on its technology platform as well as the collection of royalties from their operation or the operation of these facilities through wholly-owned or jointly-owned companies.

The head office and the registered head office of the Company is located at 3435 Pitfield Boulevard, Saint-Laurent, Quebec, Canada.

2 - GOING CONCERN ASSUMPTION

Since inception, the Company has incurred operating losses. As at March 31, 2025, the Company has an accumulated deficit of \$32,044,878 (\$30,749,435 as at December 31, 2024) as well as negative working capital. The Company has not yet completed the construction of its Hawkesbury plant to enable the Company to establish a stabilized source of revenue sufficient to cover operating expenses. Based on the current level of expenditures and available liquidity, management estimates that the Company will require additional financing within the next twelve months.

The Company is actively seeking to secure additional funding through: equity-based financing, debt-financing or other arrangements; however, there is no assurance that the Company will be successful in this or any of its endeavours or become financially viable and continue as a going concern. Consequently, these material uncertainties raise significant doubt regarding the Company's ability to continue as a going concern.

The carrying amounts of assets, liabilities, revenues and expenses presented in the consolidated financial statements and the consolidated statements of financial position classification have not been adjusted as would be required if the going concern assumption were not appropriate.

Ecolomondo Corporation

Notes to Interim Condensed Consolidated Financial Statements

For the three-month period ended March 31, 2025

(In Canadian dollars, except for number of shares)

(Unaudited)

3 - BASIS OF PRESENTATION

The unaudited interim condensed consolidated financial statements present the Company's consolidated statements of financial position as of March 31, 2025, as well as its consolidated statements of comprehensive loss, changes in shareholders' equity and cash flows for the three-month periods ended March 31, 2025 and 2024.

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 – Interim Financial Reporting and are expressed in Canadian dollars. Accordingly, certain information and footnote disclosures normally included in annual consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), have been omitted or condensed. These interim condensed consolidated financial statements use the same accounting policies, except for the adoption of the new accounting standard discussed below, and use the same methods of computation as compared with the Company's most recent annual audited consolidated financial statements. Since the date of such financial statements, there have been no changes to the Company's significant accounting policies, except for the adoption of the new accounting standard described below. There are no new accounting pronouncements issued during the period which might have a material impact on the Company's interim condensed consolidated financial statements.

These interim condensed consolidated financial statements reflect all adjustments which are, in the opinion of management, necessary to present a fair statement of the results for these interim periods. These adjustments are of a normal recurring nature.

These interim condensed consolidated financial statements were authorized for issuance by the Company's Board of Directors on May 26, 2025.

Standards, amendments and interpretation to existing standards that are not yet effective

At the date of authorization of these interim condensed consolidated financial statements, certain new standards, amendments and interpretations to existing standards have been published by the International Accounting Standards Board but are not yet effective, and have not been early adopted by the Company.

Any other new standards and interpretations that have been issued are not expected to have a material impact on the Company's consolidated financial statements.

Ecolomondo Corporation

Notes to Interim Condensed Consolidated Financial Statements

For the three-month period ended March 31, 2025

(In Canadian dollars, except for number of shares)

(Unaudited)

4 - PROPERTY, PLANT AND EQUIPMENT

	Equipment under construction	Building	Land	Reactor	Total
	\$	\$	\$	\$	\$
Cost as at December 31, 2024	38,205,429	10,227,487	613,398	-	49,046,314
Construction costs capitalized	1,584,677	-	-	-	1,584,677
Disposal	-	-	-	-	-
Cost as at March 31, 2025	39,790,106	10,227,487	613,398	-	50,630,991
Accumulated depreciation as at December 31, 2024	-	645,000	-	8,700,968	9,345,968
Disposal	-	-	-	(8,700,968)	(8,700,968)
Depreciation	-	129,000	-	-	129,000
Accumulated depreciation as at March 31, 2025	-	774,000	-	-	774,000
Balance as at March 31, 2025	39,790,106	9,453,487	613,398	-	49,856,991
Cost as at December 31, 2023	33,842,454	10,227,487	613,398	8,700,968	53,384,307
Construction costs capitalized	1,056,630	-	-	-	1,056,630
Disposal	-	-	-	(8,700,968)	(8,700,968)
Cost as at March 31, 2024	34,899,084	10,227,487	613,398	-	45,739,969
Accumulated depreciation as at December 31, 2023	-	129,000	-	8,700,968	8,829,968
Disposal	-	-	-	(8,700,968)	(8,700,968)
Depreciation	-	129,000	-	-	129,000
Accumulated depreciation as at March 31, 2024	-	258,000	-	-	258,000
Balance as at March 31, 2024	34,899,084	9,969,487	613,398	-	45,481,969

Ecolomondo Corporation

Notes to Interim Condensed Consolidated Financial Statements

For the three-month period ended March 31, 2025
(In Canadian dollars, except for number of shares)
(Unaudited)

4 - PROPERTY, PLANT AND EQUIPMENT (Continued)

	Equipment under construction	Building	Land	Reactor	Total
Cost as at December 31, 2023	33,842,454	10,227,487	613,398	8,700,968	53,384,307
Construction costs capitalized	4,362,975	-	-	-	4,362,975
Disposal	-	-	-	(8,700,968)	(8,700,968)
Cost as at December 31, 2024	<u>38,205,429</u>	<u>10,227,487</u>	<u>613,398</u>	<u>-</u>	<u>49,046,314</u>
Accumulated depreciation as at December 31, 2023	-	129,000	-	8,700,968	8,829,968
Disposal	-	-	-	(8,700,968)	(8,700,968)
Depreciation	-	516,000	-	-	516,000
Accumulated depreciation as at December 31, 2024	<u>-</u>	<u>645,000</u>	<u>-</u>	<u>-</u>	<u>645,000</u>
Balance as at December 31, 2024	<u>38,205,429</u>	<u>9,582,487</u>	<u>613,398</u>	<u>-</u>	<u>48,401,314</u>

During the year ended December 31, 2022, the Company received a parcel of land from a municipal authority in Shamrock, Texas for \$10. The Company was required to build a plant on that parcel of land beginning in October 2023. As there are delays in the start of construction, the Company has obtained an extension to the start of the project.

Capitalized borrowing costs

The Company started the construction of the new carbon black equipment line in July 2024. This project is expected to be completed in May 2025. The carrying amount of equipment under construction at March 31, 2025 and 2024 was at \$49,856,990 and \$45,481,969, respectively (December 31, 2024 at \$48,401,314). The carbon black equipment is financed by Economic Development Canada (EDC).

The amount of borrowing costs capitalized during the three-month period ended March 31, 2025 was \$496,624 (\$2,544,129 in December 31, 2024). The rate used to determine the amount of borrowing costs eligible for capitalization was 13.34%, which is the EIR of the specific borrowing (Note 6).

Ecolomondo Corporation

Notes to Consolidated Financial Statements

For the three-month period ended March 31, 2025
(In Canadian dollars, except for number of shares)
(Unaudited)

5 - REVENUES

The Company's revenues comprised of the following:

	3 month period 2025-03-31	3 month period 2024-03-31	2024-12-31
	\$	\$	\$
TDP Oil	68,180	21,340	235,228
End of life tires tipping fees	61,237	26,429	167,673
Carbon black	30,840	50,536	60,077
Steel	18,037	6,690	52,886
Others	15,386	-	96,420
	<u>193,680</u>	<u>104,995</u>	<u>612,284</u>

6 - LONG TERM DEBT

	3 month period 2025-03-31	3 month period 2024-03-31	2024-12-31
	\$	\$	\$
Balance of purchase price, payable in 10 equal annual instalments of \$20,000, bearing interest at 3%	80,000	80,000	100,000
Government loans, 5% , due December 2026	120,000	180,000	180,000
Term loan by EDC for an authorized amount of \$37,903,920, secured by a movable hypothec on all present and future assets of the Company, bearing interest at the Canadian Overnight Rep Rate Average rate plus 6.5% total not to exceed 8.5%, payable in quarterly instalments starting in May 2025, maturing in May 2029	40,483,588	37,773,738	36,667,362
Term loan by EDC for an authorized amount of \$3,000,000 bearing interest at Prime Rate Plus 8% per year, payable in 12 consecutive equal instalments starting April 2025, maturing March 2026	3,000,000	-	-
Term loan by EDC for an authorized amount of \$2,000,000 in three separate tranches (1st: \$750,000; 2nd: \$750,000; 3rd: \$500,000) bearing interest at Prime Rate Plus 8% per year for each tranche, payable in 24 consecutive equal installments beginning 8 months after disbursements of each tranche, installments starting September 2025, maturing September 2027	2,000,000	-	-
Other loan by EDC due May 2029	177,241	-	-
	<u>45,860,829</u>	<u>38,033,738</u>	<u>36,947,362</u>
Current portion	<u>4,525,417</u>	<u>1,305,000</u>	<u>983,750</u>
	<u>41,335,412</u>	<u>36,728,738</u>	<u>35,963,612</u>

Ecolomondo Corporation

Notes to Consolidated Financial Statements

For the three-month period ended March 31, 2025
(In Canadian dollars, except for number of shares)
(Unaudited)

6 - LONG TERM DEBT (Continued)

Amendments to term loan agreement dated May 31, 2024:

- a. Notwithstanding anything else contained in the Loan Agreement, the principal payments that were scheduled to be paid on or before May 31, 2024, August 31, 2024, November 30, 2024, and February 28, 2025 shall, subject to certain terms of this agreement, not be paid by the Company on the dates provided for such payments in the loan agreement and shall instead be paid on the maturity date.
- b. Notwithstanding anything else contained in the loan agreement, the interest payments that were scheduled to be paid on or before May 31, 2024, August 31, 2024, November 30, 2024, and February 28, 2025 shall, subject to the terms of this agreement, not be paid by the Company on the dates provided for such payments in the loan agreement and shall instead be added to the principal amount outstanding under the loan to be paid on the maturity date.

During the year ended December 31, 2024, the Company amended the terms of its long term-debt. The amendment resulted in a change in the present value of the remaining cash flows under the new terms of 1.66% less compared to the original terms. In accordance with applicable accounting guidance, the change did not result in a substantial modification, and therefore, the debt was not extinguished.

The Company accounted for the amendment as a modification of the existing debt. As a result, the carrying amount of the debt was adjusted to reflect the revised contractual cash flows, discounted at the original effective interest rate. The resulting modification gain of \$547,101 has been recognized in the statement of profit and loss for the year ended December 31, 2024.

The changes in the Company's liabilities arising from long-term debt are as follows:

	Balance of purchase price	Government loan	Term loan	Total
Balance as of January 1, 2024	100,000	180,000	36,667,362	36,947,362
Cash flows				
Proceeds	-	-	3,000,000	3,000,000
Repayments	-	-	-	-
Non-cash				
Interest capitalized to loan	-	-	3,533,512	3,533,512
Gain on debt revaluation	-	-	(547,101)	(547,101)
Reversal of revenue government assistance	-	(60,000)	-	(60,000)
Other	-	-	177,241	177,241
Balance as of December 31, 2024	100,000	120,000	42,831,014	43,051,014
Cash flows				
Proceeds	-	-	2,000,000	2,000,000
Repayments	(20,000)	-	-	(20,000)
Non-cash				
Interest capitalized to loan	-	-	829,815	829,815
Gain on debt revaluation	-	-	-	-
Reversal of revenue government assistance	-	-	-	-
Other	-	-	-	-
Balance as of March 31, 2025	80,000	120,000	45,660,829	45,860,829

For the three-months period ended March 31, 2025, the Company capitalized interest of \$829,815 (\$3,533,512 in December 31, 2024) to the long term debt.

Ecolomondo Corporation

Notes to Consolidated Financial Statements

For the three-month period ended March 31, 2025
(In Canadian dollars, except for number of shares)
(Unaudited)

7 - SHARE CAPITAL

a) Share capital

	3 month period 2025-03-31	3 month period 2024-03-31	2024-12-31
	\$	\$	\$
Issued and outstanding			
217,497,358 class "A" shares			
(214,682,580 and 217,497,358 on March 31, 2024 and December 31, 2024 respectively)	25,711,719	21,836,789	26,501,926

On July 29, 2024, the Company issued 2,814,778 units for gross proceeds of \$506,660. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company for \$0.24 and will expire on July 29, 2026. \$376,077 of the issue price was allocated to the share capital and \$130,583 of the issue price was allocated to the warrants. Issue cost of \$8,077 were recorded against the share capital. 1,111,112 of the units were acquired by a company under common control.

On January 2, 2024, \$3,498,853 of advances from a company under common control were converted into 25,917,430 common shares at \$0.135 per share. The market price of the shares on January 2, 2024 was \$0.18.

b) Warrants - Liability

A continuity of warrants presented as a liability and their related recorded values is set out as follows:

	Number of warrants	Amount \$	Weighted average exercise price \$
Balance as at December 31, 2023	3,076,922	-	-
Loss on revaluation of warrant liability	-	182,240	0.24
Balance as at December 31, 2024	3,076,922	182,240	0.24
Gain on revaluation of warrant liability	-	(33,314)	-
Balance as at March 31, 2025	3,076,922	148,926	0.24

7 - SHARE CAPITAL (Continued)

The fair value of the 3,076,922 share purchase warrants on March 31, 2025 and December 31, 2024, has been estimated at \$148,926 and \$182,240, respectively, using the Black-Scholes option pricing model with the following assumptions:

	3 month period 2025-03-31	2024-12-31
Risk-free interest rate	2.47%	2.92%
Expected dividend yield	Nil	Nil
Expected volatility	95.40%	93.64%
Expected life	1.50 years	1.75 years
Share price	\$0.15	\$0.16

The volatility has been estimated based on the historical share prices of the Company over the period available.

The warrants expiration was extended until September 24, 2026.

Ecolomondo Corporation

Notes to Consolidated Financial Statements

For the three-month period ended March 31, 2025
(In Canadian dollars, except for number of shares)
(Unaudited)

7 - SHARE CAPITAL (Continued)

c) Warrants - Equity

There were 2,814,778 warrants as at March 31, 2025 compared to nil as at March 31, 2024.
The following table summarized the continuity of warrants:

	Number of warrants	Weighted average exercise price
Balance as at December 31, 2023	-	-
Private placement	2,814,778	0.24
Balance as at December 31, 2024	2,814,778	0.24
Private placement	-	-
Balance as at March 31, 2025	<u>2,814,778</u>	<u>0.24</u>

d) Options

A continuity of options and their related recorded values is set out as follows:

	Number of options	Weighted average exercise price \$
Balance as at December 31, 2023	13,582,429	
Issue of stock options	1,350,000	0.18
Expired stock options	(3,170,000)	0.34
Balance as at December 31, 2024	<u>11,762,429</u>	<u>0.33</u>
Options exercisable	<u>11,285,339</u>	<u>0.33</u>
	Number of options	Weighted average exercise price \$
Balance as at December 31, 2024	11,762,429	0.34
Issue of stock options	-	-
Expired stock options	(1,860,000)	0.35
Balance as at March 31, 2025	<u>9,902,429</u>	<u>0.33</u>
Options exercisable	<u>9,892,429</u>	<u>0.33</u>

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Notes to Consolidated Financial Statements

For the three-month period ended March 31, 2025
(In Canadian dollars, except for number of shares)
(Unaudited)

7 - SHARE CAPITAL (Continued)

The following table summarizes information about options outstanding for the year ended December 31, 2024:

Exercise price	Number of options	Weighted average remaining contractual life
\$		Years
0.10	75,000	0.87
0.17	1,100,000	1.33
0.30	1,350,000	5.12
0.35	5,437,429	2.80
0.3525	1,450,000	8.22
0.37	1,400,000	5.12
0.41	950,000	8.56
	<u>11,762,429</u>	<u>4.33</u>
Options exercisable	<u>11,285,339</u>	<u>4.51</u>

The following table summarizes information about options outstanding for the three-months period ended March 31, 2025:

Exercise price	Number of options	Weighted average remaining contractual life
\$		Years
0.10	75,000	0.62
0.17	1,100,000	1.08
0.30	1,100,000	4.87
0.35	4,437,429	2.56
0.3525	1,100,000	7.98
0.37	1,250,000	4.87
0.41	840,000	8.31
	<u>9,902,429</u>	<u>4.02</u>
Options exercisable	<u>9,892,429</u>	<u>4.02</u>

Ecolomondo Corporation

Notes to Consolidated Financial Statements

For the three-month period ended March 31, 2025
(In Canadian dollars, except for number of shares)
(Unaudited)

8 - INFORMATION INCLUDED IN INTERIM CONDENSED CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

Information included in interim condensed consolidated loss and comprehensive loss for the three-months period ended March 31, 2025 and 2024 is detailed as follows:

	3 month period 2025-03-31	3 month period 2024-03-31	2024-12-31
	\$	\$	\$
General and administrative expenses			
Corporate & stock exchange fees	85,568	31,697	93,712
Office	40,473	1,297	113,115
Travel, meals and representation	13,837	1,184	27,692
Salaries and short term benefits	4,159	-	92,097
Marketing expenses	4,123	6,222	26,068
Stock based compensation	-	226,910	424,046
Municipal tax	-	-	234,939
Professional fees	-	61,222	-
Insurance	-	62,956	-
Foreign exchange loss	-	19,132	-
Miscellaneous	3,506	597	10,115
	<u>151,666</u>	<u>411,217</u>	<u>1,021,784</u>
Operating expenses			
Salaries and other short-term benefits	334,611	202,360	927,011
Professional fees	197,906	-	284,071
Depreciation of building	129,000	129,000	516,000
Utilities	121,355	5,039	272,322
Insurance	66,419	-	289,462
Property tax	54,412	214,939	-
Freight and custom duties	44,265	53,706	133,468
Maintenance and repairs	23,808	235,550	324,474
Depreciation of right of use asset	-	22,129	22,129
Other plant expenses	28,678	10,141	72,757
	<u>1,000,454</u>	<u>872,864</u>	<u>2,841,694</u>
Financial expenses			
Interest on long-term debt	333,191	351,282	989,383
Financing expense	41,120	-	-
Interest on lease liabilities	-	5,565	-
	<u>374,311</u>	<u>356,847</u>	<u>989,383</u>

9 - INFORMATION INCLUDED IN INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

The changes in working capital items for the three-months period ended March 31, 2025 and 2024 are detailed as follows:

	3 month period 2025-03-31	3 month period 2024-03-31	2024-12-31
	\$	\$	\$
Trade and other receivables	(68,743)	(4,731)	(6,664)
Prepaid expenses	601,654	(2,867)	(493,714)
Inventory	(3,820)	-	(137,368)
Trade and other payables	(189,789)	2,157	(506,179)
Bank advances	(32,525)	-	32,525
	<u>306,777</u>	<u>(5,441)</u>	<u>(1,111,400)</u>

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Notes to Consolidated Financial Statements

For the three-month period ended March 31, 2025
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(Unaudited)

10 - FINANCIAL INSTRUMENTS

Fair value

The Company's financial instruments include cash, trade and other receivables, trade and other payables, advances from a company under common control, warrant liability, and long-term debt whose carrying amounts approximates their fair value due either to length of maturity or interest rates that approximate prevailing market rates unless otherwise disclosed in these interim condensed consolidated financial statements.

The fair value of the advances from a company under common control is approximately \$1,585,274 and \$1,178,034 as at March 31, 2025 and 2024 respectively (\$1,585,274 as at December 31, 2024). This advance as well as the long-term debt has been categorized within level 2 of the fair value hierarchy. The fair value has been determined by discounting contractual cash flows using a discount rate derived from observable market interest rates of similar financial instruments with similar risks.

The fair value of the share purchase warrants has been estimated using the Black-Scholes option pricing model (Note 7) and has been categorized within level 2 of the fair value hierarchy.

11 - RELATED PARTY TRANSACTIONS

Related party transactions consist of the advances from a company under common control with details as follows:

	3 month period 2025-03-31	3 month period 2024-03-31	2024-12-31
	\$	\$	\$
3212521 Canada Inc. - company under common control	<u>1,585,274</u>	<u>1,178,034</u>	<u>1,585,274</u>

As of March 31, 2025, the amounts due to 3212521 Canada Inc. are interest bearing at 8.5% per annum, (2024- 8.5%) with payment due on October 2026.

Transactions with key management personnel

Key management of the Company are the members of the Board of Directors, as well as officers of the Company. Key management personnel remuneration is as follows:

	3 month period 2025-03-31	3 month period 2024-03-31	2024-12-31
	\$	\$	\$
Short-term employee benefits	72,805	17,634	170,178
Stock based compensation	-	226,910	284,353
	<u>72,805</u>	<u>244,544</u>	<u>454,531</u>

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Notes to Consolidated Financial Statements

For the three-month period ended March 31, 2025
(In Canadian dollars, except for number of shares)
(Unaudited)

12 - CLAIMS

In the normal course of operations, the Company is contingently liable with respect to litigations and claims that arise from time to time. In the opinion of management, any liability, which may arise from such contingencies, would not have a material adverse effect on the Company's interim condensed consolidated financial statements. The evaluation of litigations and claims is subject to uncertainties and the ultimate future resolution of the litigations and claims which cannot be predicted.

13 - SEGMENT INFORMATION

The Company's operating segments are organized according to similar economic characteristics by the markets and types of products it serves and are reported in a consistent manner. The CEO and CFO are considered the chief operating decision-makers ("CODMs") and have the authority for resource allocation and are responsible for assessing the Company's performance.

It was concluded that Ecolomondo only has one operating segment.

a. Revenue from major products and services for the three-months period ended are as follows:

	3 month period 2025-03-31	3 month period 2024-03-31	2024-12-31
	\$	\$	\$
TDP Oil	68,180	21,340	235,228
End of life tires tipping fees	61,237	26,429	167,673
Carbon black	30,840	50,536	60,077
Steel	18,037	6,690	52,886
Other	15,386	-	96,420
	<u>193,680</u>	<u>104,995</u>	<u>612,284</u>

b. Revenue and property, plant and equipment by geographic locations.

	3 month period 2025-03-31	3 month period 2024-03-31	2024-12-31
	\$	\$	\$
Revenue			
United States	99,020	74,197	301,821
Canada	94,660	30,798	310,463
	<u>193,680</u>	<u>104,995</u>	<u>612,284</u>

	3 month period 2025-03-31	3 month period 2024-03-31	2024-12-31
	\$	\$	\$
Property, plant and equipment			
Canada	49,856,991	45,481,969	48,401,314
United States	-	-	-
	<u>49,856,991</u>	<u>45,481,969</u>	<u>48,401,314</u>

Ecolomondo Corporation

Notes to Consolidated Financial Statements

For the three-month period ended March 31, 2025

(In Canadian dollars, except for number of shares)

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14 - SUBSEQUENT EVENTS

1. On April 21, 2025, EDC agreed to amend the three loans that were extended to the Company:

The original loan of \$32.5M was used to finance the construction of the Company's first of its kind new turnkey thermal decomposition facility in the Town of Hawkesbury, Ontario that will process end-of-life tires to produce re-usable resources. In the revised terms, EDC agreed to a temporary principal and interest payment holiday of 24 months to be paid upon maturity. The first payment of principal and interest will become due on May 31, 2027. The interest is variable with a cap of 8.5% per annum.

The two other loans were extended to the Company's subsidiary, Ecolomondo Environmental (Hawkesbury) Inc., one for \$3M in July 2024, and the second for \$2M in January 2025.

EDC has also agreed to a temporary principal and interest payment holiday of 12 months until January 31, 2026, at which time principal and interest payments will resume. Interest on both loans has been reduced to 8.5% per annum fixed.

2. On April 30, 2025, the Company announced a non-brokered private placement for gross proceeds of up to \$1,000,000 by issuing 6,201,550 units of the Company (each, a "Unit") at a price of \$0.16125 per Unit which closed on May 20, 2025.

Each Unit will consist of one common share (a "Common Share") and one common share purchase warrant (a "Warrant"). Each Warrant shall entitle the holder to purchase one Common Share of the Company (each, a "Warrant Share") at a price of C\$0.24 at any time on or before that date which is 2 years after the closing date of the Offering, provided that if the closing price of the Common Shares on the TSX Venture Exchange is equal to or greater than \$0.35 for a period of 15 consecutive trading days, the Company may accelerate the expiry date of the Warrants by disseminating a press release within 7 calendar days after the 15th trading day, and in such case the Warrants will expire on the 30th day after the date on which such press release is disseminated.