

ABAXX TECHNOLOGIES INC.

MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED
JUNE 30, 2026, AND 2025
(EXPRESSED IN CANADIAN DOLLARS)

Introduction

The following Management's Discussion and Analysis ("**MD&A**") of the financial condition and results of the operations of Abaxx Technologies Inc. (the "**Company**" or "**Abaxx**") constitutes management's review of the factors that affected the Company's financial and operating performance for the three and six months ended June 30, 2026. This discussion should be read in conjunction with the unaudited condensed interim consolidated financial statements for June 30, 2026, together with the notes thereto (the "**Financial Statements**"). This MD&A is dated as of August 14, 2026, unless otherwise indicated.

Unless otherwise indicated and as hereinafter provided, all financial information contained in this MD&A, and the Company's Annual Financial Statements have been prepared in accordance with IFRS Accounting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**"). Unless otherwise noted in this MD&A; all monetary amounts are expressed in Canadian dollars, and "we", "us", "our", or the "Company" refer to Abaxx Technologies Inc. and its direct and indirect subsidiaries.

Certain statements in this MD&A constitute forward-looking statements or forward-looking information within the meaning of applicable securities laws. You should read carefully; the "Cautionary Note Regarding Forward-looking Statements" section in this MD&A and should not place undue reliance on any such forward-looking statements.

Abaxx Technologies Inc. ("**Abaxx**" or the "**Company**") is a company incorporated under the Alberta Business Corporations Act. Its corporate headquarters is 110 Yonge Street, Suite 1601, Toronto, Ontario, M5C 1T4, and the Company's registered office is 1250, 639 – 5th Avenue S.W., Calgary, AB T2P 0M9. The issued and outstanding common shares are listed and posted for trading on the Toronto Stock Exchange under the symbol "TSX:ABXX" and the OTCQX Market under the symbol "ABXXF".

Caution Regarding Forward-Looking Statements

This MD&A contains forward-looking statements about the Company's objectives, plans, goals, aspirations, strategies, financial condition, results of operations, cash flows, performance, prospects, opportunities, and legal and regulatory matters. Specific forward-looking statements in this MD&A include, but are not limited to, statements with respect to the Company's anticipated future results, events, plans, strategic initiatives, future liquidity, and planned capital investments.

Forward-looking statements are typically identified by words such as "expect", "anticipate", "believe", "foresee", "could", "estimate", "goal", "intend", "plan", "seek", "strive", "will", "may", "maintain", "achieve", "grow", "should" and similar expressions, as they relate to the Company and its management. Forward-looking statements reflect the Company's current estimates,

beliefs, and assumptions, which are based on management's perception of historical trends, current conditions and expected future developments, as well as other factors it believes are appropriate in the circumstances. The Company's expectation of operating and financial performance in 2026 is based on certain assumptions including assumptions about operational growth, anticipated cost savings, operating efficiencies, anticipated benefits from strategic initiatives, future liquidity, and planned capital investments. The Company's estimates, beliefs, and assumptions are inherently subject to significant business, economic, competitive, and other uncertainties, and contingencies regarding future events and as such, are subject to change. The Company can give no assurance that such estimates, beliefs, and assumptions will prove to be correct.

Numerous risks and uncertainties could cause the Company's actual results to differ materially from those expressed, implied, or projected in the forward-looking statements. Such risks and uncertainties include:

- the nature of the business and industries that the Company competes in;
- limited assets, available funds, currency risk, absence of dividends, additional financing requirements, and anticipated use of those funds;
- the operational management of the Company by its directors, officers, and insiders, reliance on key personnel, limited management experience, conflict of interests with directors and management;
- the future growth, results of operations, performance, products, competition, slow acceptance of products, growth, and business prospects and opportunities of Abaxx;
- the ability of Abaxx to satisfy all conditions precedent and obtain all regulatory approvals.
- whether Abaxx will be able to execute its business strategy successfully such that the future growth, results of operations, performance, and business prospects and opportunities of Abaxx, will be as anticipated;
- Reporting Issuer Risk including Risks related to volatility of share price, and fluctuation of operating results;
- risks related to regulation by governmental authorities including political & regulatory risks;
- operations in foreign jurisdictions;
- protection of Abaxx Tech Software and IP portfolio, cybersecurity threats, hacking, server, system software failures or reliance on technical infrastructure;
- clearing house and exchange failure or the inadequacies of risk management procedures and facility developments;
- a deterioration occurs in the political or economic situation generally as a result of an act of war or hostilities, invasion, armed conflict or act of a foreign enemy, revolution, insurrection, insurgency occurs resulting in a material adverse result directly or indirectly affecting the company.
- The availability of financing opportunities and risks associated with general economic and financial conditions as well as those risks related to political insurrection and war;
- the speculative and competitive nature of the technology sector;
- limited operating history and share price fluctuations;

- Use and Storage of Personal Information and Compliance with Privacy Laws permits, contracts, licenses, political and regulatory risk;
- technical obsolescence and failure by third-party vendors of technologies;
- tax consequences;
- environmental regulations and liability;
- third-party risk, erroneous transactions, and human error;
- non-availability of insurance to properly compensate risk;
- loss of key employees, anthropogenic risks, as well as the risk caused by the inability to access and deploy available human resources competitively;
- risks related to the development of carbon markets in general, including related financial trading instruments that could be susceptible to corruption and other integrity risks;
- risks of hiring skilled, technically proficient staff and their supervision and management;
- software development risk and risk of technological change
- acquisition risk;
- limited market for securities;
- going concern risk: The risk associated with a substantial doubt about the Company's ability to continue as a going concern including its inability to meet its obligations as they come due without substantial disposition of assets outside the ordinary course of business, restructuring debt, additional equity or other funding, externally forced revisions of its operations, within the next 12 months;
- lawsuits and other legal proceedings, financial and human resource costs and challenges; and
- other factors beyond the Company's control.

The above is not an exhaustive list of the factors that may affect the Company's forward-looking statements. Other risks and uncertainties not presently known to the Company or that the Company presently believes are not material could also cause actual results or events to differ materially from those expressed in its forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect the Company's expectations only as of the date of this MD&A. Except as required by law, the Company does not undertake to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

Mission and Strategy

Abaxx is building smarter markets, empowered by better financial technology and market infrastructure, to address our biggest challenges, including the energy transformation and the transition to an AI-augmented economy. The Company is focused on solving core structural inefficiencies in today's commodities markets through its fully integrated market ecosystem, targeting gaps where legacy products and processes are misaligned with the demands of modern global trade.

Abaxx is the majority shareholder of Abaxx Singapore, the owner of Abaxx Exchange and Abaxx Clearing, parent company of wholly owned subsidiaries Abaxx Spot and Adaptive Infrastructure, and founder and creator of Abaxx Labs and the SmarterMarkets™ podcast.

Licensed as a Recognised Market Operator ("**RMO**") and an Approved Clearinghouse ("**ACH**") by the Monetary Authority of Singapore, Abaxx Exchange lists centrally-cleared futures contracts across energy, environmental, battery materials and precious metals markets to provide better price discovery, more precise hedging instruments, and the ability to optimize physical supply chains — establishing the next generation of global commodity benchmarks.

The Company, which commenced its business operations in January 2018, has developed a business strategy focused on capturing generational opportunities across markets and digital infrastructure, comprised of three core components: (i) developing new internet communication protocols and proprietary financial software architecture with a vision for global commodity market trading and (ii) commercializing the majority-owned commodity futures exchange and clearing house utilizing Abaxx-built technology, and (iii) developing new commodity futures benchmarks designed to better meet the commercial needs of market participants as commodity markets are rapidly being reshaped by the convergence of geopolitical realignment, industrial policy, energy security and advances in autonomous technologies. The following provides more detail on each of these components:

(i) Digital markets have solved for speed and connectivity, however the authority required to execute a transaction — proof of who is acting and their right to do so — remains fragmented across platforms, institutions, and legal jurisdictions. To address this gap, Abaxx developed ID++, a proprietary identity protocol implementing W3C standards for decentralized identity and verifiable credentials.

A protocol is a set of rules governing how computers communicate with each other, like SMTP for email or HTTP for websites. ID++ establishes a common framework for how the identity and authority of people, organizations and assets can be represented, verified and governed within digital transactions.

By making identity and authority independently verifiable at the point of transaction, ID++ provides the trust infrastructure required to move institutional markets toward real-time settlement,

continuous collateral mobility and increasingly autonomous transaction workflows — capabilities that remain constrained when identity and authorization must be verified through separate systems and post-transaction processes.

(ii) The modernization of post-trade collateral movement has emerged as one of tokenization's most compelling institutional use cases. Derivatives markets move billions in collateral each day, yet much of that movement remains constrained by banking-hour settlement and manual verification processes.

Moving collateral closer to real time could materially increase the efficiency with which capital is deployed across financial markets, support the development of 24/7 markets and reduce structural margin requirements. Initial margin held at 10 of the leading clearinghouses totaled $915.7 billion at the end of 2024, according to the Futures Industry Association.

Compressing settlement toward real-time will fundamentally reshape how collateral supports trading, clear the path to 24/7 markets, and lower structural margin requirements, with initial margin held at 10 of the leading clearinghouses totaling $915.7 billion at the end of 2024 as reported by the Futures Industry Association.

Realizing that potential, however, requires institutions to know in real time who is acting, whether they are authorized to act, and whether that authorization can be independently verified. BlackRock CEO Larry Fink highlighted identity verification as a critical requirement for tokenized financial markets in his 2025 annual letter. Abaxx developed MarketOS™ to address this constraint.

Built on the ID++ protocol, MarketOS™ is the Company's integrated transaction productivity suite for institutional markets. MarketOS™ embeds verifiable identity and authority directly into transaction workflows, reducing the need for separate post-transaction verification and enabling collateral and other financial assets to move with greater speed and certainty. In doing so, MarketOS™ is designed to provide the transaction infrastructure required for real-time collateral mobility, 24/7 markets and increasingly autonomous institutional workflows.

Initial commercial efforts are focused on MarketOS™'s first use case, Digital Title, which enables physical commodities and regulated securities to serve as legally enforceable, transaction-ready collateral for margin and financing within existing legal and regulatory frameworks. In Q4 2025 pilots, Abaxx Digital Title was used to mobilize physical gold and money market fund shares as collateral on a T+0 basis, demonstrating how MarketOS™ can unlock the collateral value of an estimated $42 trillion in commodities and securities by enabling those assets to serve as high-velocity T+0 collateral, including yield-bearing assets that can continue generating returns while pledged.

(iii) Since trading commenced in June 2024, Abaxx Exchange has introduced 18 new commodity futures benchmarks designed for modern energy and industrial supply chains. The product suite

includes the only physically deliverable LNG futures contracts trading globally; compliance and voluntary carbon futures; the only U.S. dollar-denominated, physically deliverable nickel sulphate and lithium carbonate benchmarks outside China; the only kilobar gold futures contract deliverable into Singapore; the first globally accessible 1,000-ounce silver futures contract for silver of 0.9999 fineness; and the world's first wind and solar futures indexed to installed generation capacity.

The Company remains focused on driving commercial traction across its complementary and mutually reinforcing technology and exchange businesses. Abaxx-built technology provides tools to support participation, transaction efficiency and commercial adoption across Abaxx Exchange, while the Exchange provides a regulated market environment for the deployment and commercialization of the Company's technology. Together, these businesses are intended to advance the Company's broader objective of building smarter markets for global commodities trading.

As of the date of this filing, Abaxx is deploying MarketOS™ applications to support commercial adoption of Abaxx Exchange's futures markets, while also pursuing direct commercialization of the MarketOS™ suite through business-to-business ("**B2B**") strategic partnerships. Abaxx Technologies holds a gross revenue royalty over Abaxx Exchange in exchange for the licensed use of its proprietary software (including the use of its intellectual property and) and the Company expects to generate revenue from the licensure of its software and royalties via Abaxx Technologies.

Abaxx is listed on the Toronto Stock Exchange (TSX:ABXX) as well as the OTCQX (OTCQX: ABXXF) — where it was named to OTC Markets Group's 2026 OTCQX Best 50, the annual ranking of top-performing U.S. and international companies traded on the OTCQX Best Market — and provides its shareholders with the potential for significant long-term value creation.

Abaxx also owns the LabMag and KeMag iron ore assets, which were owned by New Millenium Iron Corp., and continue to be held by Abaxx after the reverse take-over ("**RTO**") of New Millennium Iron Corp. The Company is not undertaking any iron ore development due to its technology-focused plan. Although the Company does not believe that the LabMag and KeMag iron ore assets have material value at present, the Company developed an understanding that the market for "green" commodities may evolve to include certain types of iron ore deposits which could increase in value of the LabMag and KeMag iron ore assets. In particular, the LabMag and KeMag iron ore assets are "taconite" iron ore assets. The processing of taconite iron ore involves the production of iron ore pellets which can be optimal feedstock for electric arc furnaces. Electric arc furnaces can produce steel with lower carbon dioxide emissions than conventional blast furnace steel production, hence the potential to characterize taconite iron ore assets as a green commodity.

At this juncture, the Company intends to maintain certain LabMag and KeMag properties in good standing and continue to assess developments in the taconite iron ore market. The Company may

entertain offers from third parties to dispose of or enter into a joint venture relating to these iron ore assets. The ability of the Company to monetize the iron ore assets on terms that are economic or at all is virtually entirely dependent on (i) iron ore commodity prices in general, and (ii) demand for taconite iron ore as a green commodity for use in lower carbon dioxide electric arc furnace steel production. Large-scale demand does not exist for iron ore green commodities at present, and it is not possible to determine the outcome or value that could result from any monetization of the LabMag and KeMag iron ore assets. In addition, the processing of taconite iron ore involves various types of processing and feedstock metallurgical characteristics which are not entirely certain at this time. As a result, it cannot be assured that production of the LabMag and KeMag iron ore assets can be achieved commercially or at all.

Business History

The following is a summary of the general development of the Company's business over the past 20 months (2025 – 2026 to date):

Key Events of 2025

FY 2025 was a milestone-driven period for Abaxx Technologies, Abaxx Exchange, and Abaxx Clearing. Outlined below are key 2025 dates, events, and achievements chronologically.

On January 13, 2025, the Company confirmed that trading had commenced in Nickel Sulphate Singapore futures on Abaxx Exchange, with the first block trade executed by Traxys and HNK Alpha on January 10th, 2025. The trade was brokered by StoneX Financial Pte Ltd., a subsidiary of StoneX Group Inc. (NASDAQ: SNEX).

On January 24, 2025, the Company closed the final tranche of a non-brokered private placement financing, which consisted of the issuance of 50,000 common shares of the Company at a price of $13.00 per Share for aggregate gross proceeds of $650,000.

On February 13, 2025, the Company reported plans to expand Abaxx Exchange's battery materials product suite with the launch of three regional, physically-deliverable Lithium Carbon futures on March 7, 2025.

On February 26, 2025, Abaxx Singapore confirmed a partnership with ZEMA Global Data Corporation, a leading provider of enterprise data and analytics for the commodity and energy sectors. The collaboration integrates Abaxx Exchange market data into ZEMA's platform, delivering access to verified trade data and price references for market participants.

On March 7, 2025, the Company confirmed that Lithium Carbonate Singapore futures (LCS), Lithium Carbonate Rotterdam futures (LCR), and Lithium Carbonate Baltimore futures (LCB) were live for trading on Abaxx Exchange.

On March 10, 2025, the Company reported that Traxys and HNK Alpha executed the first lithium carbonate futures block trade on Abaxx Exchange on March 7th, 2025. The trade was brokered by StoneX Financial Pte Ltd., a subsidiary of StoneX Group Inc. (NASDAQ: SNEX).

On March 24, 2025, the Company saw the first over-the-counter ("**OTC**") trade of a LNG cargo indexed to Abaxx LNG futures. Two Asia-based counterparties agreed to trade a cargo to be exported from the Gulf of Mexico ("**GOM**") with the transaction price indexed to Abaxx GOM LNG futures.

On April 8, 2025, the Company provided an update on operational milestones and the continued execution of the Company's business strategy in the first quarter of 2025, summarizing milestone highlights across Abaxx Technologies Inc., Abaxx Exchange, Abaxx Clearing, and Abaxx's technology development.

On May 7, 2025, the Company confirmed the first successful delivery under a carbon futures contract on Abaxx Exchange. It marked the first live exercise of Abaxx's end-to-end infrastructure for managing the transfer of environmental assets through a regulated futures market. The transaction was completed between Mercuria Energy Trading SA (METSA) and a U.S. based counterparty, with Eagle Commodities, a division of Marex, facilitating the original trade. Clearing services were provided by KGI Securities, Marex, and another bank clearing firm.

On May 13, 2025, the Company reported plans to expand Abaxx Exchange's product suite to include precious metals, beginning with launching a Gold kilobar futures contract on June 12, 2025. Abaxx's Gold Singapore futures contract is a US dollar-denominated, kilobar-sized, physically deliverable product, with delivery into approved vaults in Singapore. The Company also confirmed its plans to launch Abaxx Spot, a co-located gold pool in Singapore, where market participants could also make or take delivery of Abaxx Exchange's gold futures.

On May 23, 2025, the Company reported that Abaxx Singapore had achieved ISO/IEC 27001:2022 certification for its Information Security Management System, confirming that Abaxx Exchange and Abaxx Clearing meet internationally-recognized standards for security data, managing risk, and supporting operational resilience.

On June 12, 2025, the Company confirmed that physically-deliverable Gold Kilobar futures were available for trading on Abaxx Exchange, in addition to the opening of Abaxx Spot — the Company's new physically-allocated gold trading platform in Singapore. The coordinated launch created the first co-located spot and futures infrastructure for gold in Singapore, designed to deliver integrated physical and futures settlement in a single region, in the kilobar format preferred across Asia's bullion market.

On June 15, 2025, the Company confirmed active trading in Abaxx Exchange's physically-deliverable Gold Singapore futures following the product's official launch on June 12, 2025, including participation from firms in Singapore, Hong Kong, London, and Thailand.

On June 26, 2025, the Company reported plans to conduct a pilot transaction to finance margin with physical gold using its ID++ Technology to create real-time digital documents of title.

On July 29, 2025, the Company reported completion of a pre-feasibility study on the use of tokenized money market funds (MMFs) as financial collateral using Abaxx's proprietary ID++ and digital title technologies and confirmed a second planned pilot transaction for Q4-2025 to demonstrate how tokenized MMF shares — when paired with Abaxx's legal and identity infrastructure — can serve as legally enforceable, real-time collateral in regulated markets.

On August 15, 2025, the Company provided an update on operational milestones and the continued execution of the Company's business strategy in the second quarter of 2025, summarizing milestone highlights across Abaxx Technologies Inc., Abaxx Exchange, Abaxx Clearing, and Abaxx's technology development.

On August 27, 2025, the Company confirmed that Abaxx Singapore had facilitated a high-level delegation from the China City Gas Association (CCGA) to Singapore on August 26-27, 2025. The delegation held discussions with Enterprise Singapore and the Asia Natural Gas & Energy Association (ANGEA) on opportunities to strengthen cross-border cooperation in the natural gas and energy sectors.

On September 4, 2025, the Company used its wholly owned subsidiary, Adaptive Infrastructure™ ("Adaptive"), to establish a unified custodial foundation across markets and confirmed that Adaptive had been approved as an eligible custodian under Abaxx Exchange's carbon futures contracts, including the JREDD+ Carbon Offset Unit futures (RD1) and CORSIA Phase One Carbon Offset Unit futures (CP1).

On September 7, 2025, Abaxx Exchange and Qingdao International Energy Exchange, a key energy trading platform in China, initiated a strategic collaboration exploration, focused the physical liquefied natural gas (LNG) market.

On September 9, 2025, the Company appointed Russell Robertson as Chief Business Development Officer of Abaxx Exchange, following a 25-year career across the Gulf Mercantile Exchange (formerly Dubai Mercantile Exchange), CME Group, and ICE Clear Europe.

On September 8, 2025, the Company entered into a joint initiative to extend the use of Abaxx's digital title technology to in-transit shipments of non-ferrous metals, including copper and aluminum, with MineHub Technologies Inc.'s ("MineHub") post-trade platform and logistics tracking capabilities.

On September 10, 2025, Abaxx Exchange and Zhonggong Natural Gas, a fast-growing energy company with provincial-level priority projects in North and Southwest China, initiated a strategic collaboration exploration, focused on LNG procurement and related trading services.

On October 20, 2025, the Company closed a non-brokered private placement financing with a strategic investor. The Financing consisted of the issuance of 1,000,000 units (the "Units") of the Company at a price of US$22.00 per Unit for aggregate gross proceeds of US$22 million.

On October 21, 2025, the Company confirmed continued growth and trading activity in its Gulf of Mexico (GOM FOB) and North Pacific-Asia (NPA DAP) LNG futures contracts on Abaxx Exchange. Trading volume in NPA DAP futures reached 690 lots in the week ending October 17, 2025, while GOM FOB futures increased to 2,394 lots. Total LNG volume rose more than 80 percent from August to September.

On October 22, 2025, the Company undertook its first technical integration of Abaxx's Verifier+ identity application with the MineHub platform. The integration established the technical foundation for the joint initiative exploring the use of Abaxx Private Digital Title to enable real-time title transfers for in-transit shipments of non-ferrous metals.

On October 23, 2025, the Company appointed Leah Wald as a Commercial Advisor, to support commercial readiness of its digital title technology, following her role as President and CEO of Sol Strategies, previously having co-founded and led Valkyrie Investments, including the launch of some of the first digital asset ETFs in the US.

On October 27, 2025, the Company completed the integration of Abaxx Exchange's futures markets data into TradingView, an industry leading charting platform and social network for traders and investors. The integration connects charting and analysis tools for Abaxx futures with TradingView's 100M+ users.

On November 14, 2025, Abaxx Exchange expanded its environmental products suite with the launch of Enwex Germany Onshore Wind futures (GWM) — the first financially-settled contracts indexed to the utilization of installed wind capacity in Germany. Developed in partnership with Enwex (Energy Weather Index), the contract provides a standardized benchmark for managing weather-related volume risk in renewable power generation.

On November 17, 2025, Abaxx Exchange confirmed Gunvor Group as among the first to trade Germany Onshore Wind futures. The trade was brokered by TP ICAP with clearing services provided by ADM Investor Services Singapore, KGI Securities and Marex.

On November 24, 2025, Abaxx Technologies Inc. was included in the MSCI Canada Small Cap Index, effective as of the close of trading. The MSCI Canada Small Cap Index measures the performance of the small-cap segment of the Canadian market and covers approximately 14% of the free float-adjusted market capitalization in Canada. MSCI's market-capitalization weighted indexes are among the most widely referenced benchmarks in the global financial industry.

On November 25, 2025, Abaxx Exchange was granted registration as a Foreign Board of Trade ("**FBOT**") from the U.S. Commodity Futures Trading Commission ("**CFTC**"). The registration

permits U.S.-based futures commission merchants (FCMs), brokers, and trading firms to directly access Abaxx Exchange's regulated markets for the first time.

On December 1, 2025, Abaxx Exchange completed connectivity with Stellar Trading Systems Ltd. ("**Stellar**"), a leading independent software vendor providing front-office execution software to global trading firms.

On December 12, 2025, The Company confirmed that trading had commenced in Abaxx Exchange's second contract in its growing suite of weather derivatives, U.K. Onshore Wind futures. The contract is a pound sterling-denominated, financially-settled product indexed to Enwex Wind U.K., a forecast-based index that translates wind speed at 100m into standardized generation utilization rates, expressed in £/MWh.

On December 17, 2025, the Company exercised its right to call all 500,000 outstanding common share purchase warrants (the "**Warrants**") issued in connection with its October 20, 2025, non-brokered private placement financing. The Warrants issued in connection with Abaxx's October 2025 private placement contained a provision allowing Abaxx to exercise a redemption right to call the Warrants in the event the daily VWAP of Abaxx's common shares traded on Cboe Canada exceeded $41.76 per common share for a period of twenty consecutive trading days.

Key Events of 2026 (year to date)

On February 5, 2026, Abaxx Exchange confirmed that connectivity to TMX Trayport's Joule platform was in progress, with completion expected by the end of Q1 2026. TMX Trayport's Joule platform is used by more than 9,800 traders globally across energy, commodities, and environmental markets.

On February 6, 2026, the Company confirmed trading had commenced in Enwex ERCOT Onshore Wind (EWM) futures, extending Abaxx's weather-indexed markets into the United States. The EWM contract gives market participants a focused hedge against weather-driven volume swings and grid-imposed curtailment, isolating wind-specific risk from broader power market drivers.

On February 9, 2026, Abaxx Exchange market data became available through a Microsoft Excel Add-in, developed by the leading capital markets financial technology firm, ipushpull. The add-in enables firms to subscribe to specific Abaxx datasets — including both historical and real-time feeds — with real-time values updating as the exchange publishes new data across active contracts.

On February 10, 2026, the Company reported results from it's 2 Q4-2025 digital title pilots, which achieved T+0 transfer of ownership of physical gold and money market fund shares. Following the successful completion of its first two pilots, Abaxx confirmed it is pursuing integration of its Digital Title framework into Abaxx Exchange and Abaxx Clearing, subject to meeting all regulatory requirements, to bring real-time collateral capabilities into exchange-linked margin processes.

On February 24, 2026, MTS Gold Group and Kilo Capital completed the successful first delivery under the Abaxx Gold Singapore futures contract on Abaxx Exchange. Clearing services were provided by StoneX and KGI Securities, and inventory transfer for the transaction was supported by Abaxx Spot. The transaction was the first gold futures position on Abaxx Exchange carried through to physical delivery, and the first Abaxx Spot inventory transfer associated with a futures delivery.

On February 27, 2026, trading commenced in Enwex Netherlands, France and Spain Onshore Wind futures on Abaxx Exchange, extending standardized, exchange-cleared benchmarks for managing wind generation risk across Europe's major renewable power systems.

On March 4, 2026, Abaxx introduced MarketOS™, the Company's integrated transaction productivity suite for unifying identity verification, communication, documentation, and agreement workflows for institutional markets. Built on the ID++ protocol, MarketOS™, enables participants, institutions, and intelligent agents to act with verifiable authority, privacy, and legal enforceability embedded directly into transaction workflows. Abaxx presented MarketOS™ at the Futures Industry Association's ("FIA") Global Cleared Markets Conference in Boca Raton March 8-11, 2026.

On March 18, 2026, Abaxx Exchange joined the Singapore Bullion Market Association as a local associate member.

On March 23, 2026, Abaxx Exchange reported a new weekly trading volume record of 54,740 contracts during the week of March 16 - March 20, 2026.

On March 26, 2026, Abaxx confirmed connectivity to TMX Trayport's Joule platform.

On April 13, 2026, Abaxx Exchange confirmed it had successfully registered as an Organised Market Place ("OMP") with the European Union Agency for the Cooperation of Energy Regulators ("**ACER**") as of April 8, 2026. The registration enables Abaxx Exchange to meet reporting obligations under the European Union's Regulation on Wholesale Energy Market Integrity and Transparency ("**EU REMIT**").

On April 23, 2026, Abaxx confirmed trading had commenced in Enwex Germany Solar futures (GWM), the first exchange-cleared benchmark to hedge solar output variability in Europe's largest power market.

On April 28, 2026, Abaxx confirmed first trades in the Abaxx Spot Gold Pool, executed between Velocity Trade and Kilo Capital.

On May 1, 2026, Abaxx introduced Abaxx Labs and the release of an open-source library for agentic identity: Agents++™. The Company formed Abaxx Labs as its center for engaging with the developer community and empowering users to maintain control of their identity, data, and

agents in digital spaces. The first release is the Agents++ library, a subset of the ID++ software development kit (SDK) that has been tuned for use with AI agents. The initial release of the Agents++ open-source library supports developer implementation of the ID++ protocol for AI agents, with a path to integration with the fuller MarketOS™ suite.

On May 6, 2026, Abaxx signed a Memorandum of Understanding (MoU) to support the development of the Cambodian National Futures Exchange ("**CNFE**"), including cooperation on market infrastructure and the application of Abaxx's MarketOS™ technology. The MoU was entered into with Alpha Group, the operating and development partner designated by the Securities and Exchange Regulator of Cambodia ("**SERC**") for the CNFE and was formalized at a signing ceremony hosted by SERC in Phnom Penh, Cambodia.

On May 7, 2026, Abaxx confirmed a commercial engagement Alta Alternative Investments Pte. Ltd. ("**Alta**"), one of Asia's leading regulated brokerages, securities exchanges, and fund management platforms, to advance the use of money market fund shares as T+0 collateral for margin at Abaxx Clearing, moving Digital Title toward its first commercial implementation. Abaxx and Alta signed a letter of engagement to partner in the establishment of a Singapore-based Variable Capital Company ("**VCC**") umbrella structure to support the use of those fund shares as T+0 collateral within Abaxx Clearing, while allowing yield on those assets to continue to accrue.

On May 8, 2026, Abaxx Exchange was named Risk.net's Energy Risk Awards recognize excellence across global energy and commodity markets. The Newcomer of the Year award recognizes emerging companies, or established firms entering new markets, that have demonstrated growth, market relevance and contribution within their first three years of operation.

On May 13, 2026, Abaxx Technologies Inc. received conditional approval to list its common shares (the "**Listing**") on the Toronto Stock Exchange ("**TSX**").

On May 13, 2026, the Company appointed Dr. Jeff Currie as Executive Co-Chairman of Abaxx Markets. Dr. Currie has served as an independent director of Abaxx since 2023. In his expanded executive role, he supports development of Abaxx's global commodity markets through increased media representation and high-level engagements with his extensive network of investment and commercial relationships — developed over his three decades of experience in the commodities industry. He also serves as a Senior Advisor to the boards of Abaxx Exchange and Abaxx Clearing.

On May 14, 2026, Abaxx Exchange's single-day trading volume surpassed 50,000 contracts for the first time. The day's volume reached 50,277 contracts, led by Gold Singapore futures, surpassing the previous single-day high of 37,343 contracts traded, set on April 9, 2026. Gold Singapore futures (GKS) also reached a new single-day record today of 45,501 contracts traded, surpassing its previous single-day volume of 31,968, set on April 7, 2026.

On May 15, 2026, Abaxx Technologies Inc. confirmed that common shares of the Company would be listed for trading on the Toronto Stock Exchange effective market open on May 21, 2026.

On May 22, 2026, trading commenced in Silver Singapore futures on Abaxx Exchange. Abaxx SSP futures contract is a U.S. dollar-denominated, 1,000-troy-ounce, physically deliverable product of 0.9999 fineness, with delivery into approved vaults in Singapore, including Brink's Singapore. SSP futures are designed to address the gap between global silver price formation and the physical requirements of Asia's industrial silver market, where demand for higher-purity material is increasing across solar and advanced electronics supply chains.

On May 26, 2026, Abaxx confirmed active trading in Silver Singapore futures with participation in the contract's first two trading sessions from firms in Singapore, Thailand and India.

On June 1, 2026, Abaxx Exchange reported that May recorded a new high in monthly trading volume. Monthly volume reached 286,696 contracts, exceeding total Q1-2026 volume by 21% and total full-year 2025 volume by 78%. May 2026 average daily volume (ADV) reached 15,089 contracts per day, nearly four times the ADV of Q1-2026.

On June 2, 2026, the Company closed its upsized bought deal public offering of 1,271,900 common shares at a price of C$54.25 per share for gross proceeds of C$69,000,575, which includes the full exercise of the over-allotment option granted to the Underwriters. The Offering was conducted by ATB Cormark Capital Markets and Cantor Fitzgerald Canada Corporation, as co-lead underwriters and joint bookrunners, and Canaccord Genuity Corp. and BMO Nesbitt Burns Inc. (collectively, the "**Underwriters**").

On June 16, 2026, Abaxx Exchange expanded market data distribution through LSEG, a leading global financial markets infrastructure and data provider with approximately 400,000 end users across 190 markets.

On June 24, 2026, the Company confirmed Yongan International Financial (Singapore) Pte Ltd. as Abaxx Exchange's newest clearing member. Yongan International SG is a Singapore-based futures brokerage and a wholly owned subsidiary of Xin Yongan International Financial Holdings Ltd. in Hong Kong, which is a subsidiary of Yongan Futures Co. Ltd. It is Abaxx Exchange's first mainland China-backed clearing member.

On June 26, 2026, the Company highlighted the two-year trading anniversary of Abaxx Exchange, providing an update on its commercial momentum and ecosystem expansion since trading commenced on June 28, 2024.

On July 1, 2026, daily trading volume on Abaxx Exchange surpassed 100,000 contracts for the first time.

On July 2, 2026, Abaxx Exchange reported June 2026 and Q2-2026 trading statistics which included YTD trading volume surpassing 1.1 million contracts (+600% to FY-25), Q2 trading

volume reaching 888,902 contracts (+276% to Q1), June volume reaching 346,501 contracts (+21% over May), and average daily open interest reaching 1,232 (+200% over May 2026).
On July 8, 2026, Climate Impact X was approved as an Eligible custodian under Abaxx Exchange's two carbon futures contracts.

On July 13, 2026, Climate Impact X completed the first multi-party carbon futures delivery as an Eligible custodian. The 120-lot settlement was completed among 4 market participants based in the U.S., the U.K., and Singapore, including investment and environmental asset firms, and involved 3 matched delivery transactions of eligible CORSIA Phase 1 carbon units across Verra and ART registries. Clearing services were provided by KGI Securities and StoneX.

On July 22, 2026, the Toronto Stock Exchange accepted the Company's notice of intention to make a normal course issuer bid ("NCIB"), commencing July 24, 2026. Under the NCIB, Abaxx may purchase for cancellation up to 400,000 common shares of the Company (the "**Shares**"), representing approximately 1.03% of the Company's issued and outstanding common shares as of July 10, 2026. The NCIB authorizes, but does not obligate, Abaxx to purchase any Shares.

On July 29, 2026, Abaxx Exchange expanded market data distribution to include Bloomberg Solutions. Real-time and end-of-day pricing data for all Abaxx-listed contracts are accessible on the Bloomberg Terminal, as well as via Bloomberg Data License and B-PIPE.

On August 4, 2026, Abaxx Exchange reported July 2026 trading statistics which included monthly volume reaching 785,129 (+127% over June), average daily open interest reaching 1,199 (+83% above Q2-2026), and average daily volume reaching 34,136 contracts per day (+134% above Q2-2026).

Overall Performance

During Q2 2026, the Company generated $4.5 million in transaction and clearing fees from its exchange and clearinghouse operations. The Company continues to execute its strategic initiatives to achieve profitability and anticipates increased fee income over the next 12 months.

The Company reported a net cash burn of $17.7 million for the three months ended June 30, 2026 ("Q2 2026"), compared to $12.6 million for the three months ended March 31, 2026 ("Q1 2026"), as the Company expanded its sales team and market development efforts at Abaxx Exchange.

The Company reported a net loss of $30.1 million for the three months ended June 30, 2026, which included a non-cash component of $12.4 million, compared to a net loss of $20.3 million for the three months ended March 31, 2026 ("Q1 2026"). This non-cash component includes an unrealized loss on derivatives of $6.1 million related to the effect of the decline in the Company's share price during the quarter on its outstanding convertible debentures. Management remains focused on growing commercial adoption of Abaxx's futures markets to increase revenue generation and achieve profitability.

On June 30, 2026, the Company had $95.4 million in cash and cash equivalents and short-term investments, compared to $62.6 million on December 31, 2025, and remains in a secure financial position. The Company raised gross proceeds of $69.0 million during the quarter following the June 2, 2026, close of an upsized bought deal offering of 1,271,900 common shares at a price of $54.25 per Share.

Summary of Quarterly Results

IFRS Consolidated Income Statement								
Select Data	**FY 2026**		**FY 2025**				**FY 2024**	
(Expressed in $000s) except EPS	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Transaction and clearing fees	4,496	1,415	672	309	-	-	-	-
Liquidity-related credits	(4,495)	(1,423)	-	-	-	-	-	-
Royalty income	-	40	-	-	35	28	157	384
Revenue	2	32	672	309	35	28	157	384
Total Expenses	(20,468)	(14,578)	(20,644)	(12,777)	(12,063)	(14,214)	(21,599)	(9,796)
Net Loss Before Tax	(30,102)	(20,316)	(10,084)	(10,560)	(17,187)	(8,080)	(25,916)	(9,709)
Basic Loss per Share	(0.79)	(0.55)	(0.26)	(0.29)	(0.49)	(0.22)	(0.74)	(0.28)
Diluted Loss per Share	(0.79)	(0.55)	(0.26)	(0.29)	(0.49)	(0.22)	(0.74)	(0.28)

For the three months ended June 30, 2026, compared with the three months ended June 30, 2025, the Company's operating expenses increased by $8.4 million, or 70%. This increase in operating expenses was due to $3.4 million incurred in travel, marketing and promotion costs for building trading activity on Abaxx Exchange, a $2.6 million increase in professional fees, a $1.3 million increase in salaries and wages, and a $1 million increase in regulatory, license and subscription expenses.

The Company's Q2 2026 operating expenses were primarily related to the ongoing operational build-out and market development efforts aimed at growing commercial adoption in Abaxx's futures markets.

a. Transaction and clearing fees and Royalty income

In Q2 2026, the Company generated $4.5 million in trading and clearing fees from its exchange and clearinghouse, compared to $nil in the corresponding prior-year quarter. The Company employs various liquidity-building programs to incentivize liquidity and participation on Abaxx Exchange. In Q2 2026, the Company incurred $4.5 million liquidity-related credits, compared to $nil in the corresponding prior-year quarter. Resulting in revenue of $2 thousand.

In Q2 2026, the Company did not earn any revenue from its Base Carbon Royalty agreement (Q2 2025 $35 thousand). This agreement requires Base Carbon to pay Abaxx a 2.5% royalty for the usage of the software it developed. The royalty is indefinite in terms and Base Carbon has the right to buy back the royalty upon the payment of US$150 million (above or in excess of any royalty already paid) to Abaxx.

b. Net Loss After Tax

For Q2 2026, the Company recorded a net loss of $30.1 million (June 30, 2025, $17.2 million), primarily due to the above-outlined operating expenses supporting the ongoing operational build-out and market development efforts to build liquidity and grow commercial adoption in Abaxx's futures markets. The net loss for the second quarter of FY 2026 was due primarily to the Company incurring regular operating expenses, such as spending on development expenses of $1.4 million (June 30, 2025, $1.2 million), salaries and wages of $4 million (June 30, 2025, $2.8 million), professional fees of $4.7 million (June 30, 2025, $2.1 million), market development, marketing and promotion of $4.7 million (June 30, 2025, $1.4 million), general and administration of $1.3 million (June 30, 2025, $0.8 million) and regulatory, license and subscription expenses $1.7 million (June 30, 2025, $0.6 million).

The **$12.4 million non-cash** effect included:

- Embedded derivative fair value loss of $6.1 million (June 30, 2025, $nil); related to the effect of the decline in the Company's share price during the quarter on its outstanding convertible debentures;
- Share-based compensation expense of $2.6 million (June 30, 2025, $3.2 million);
- An unrealized loss on investments at fair value of $1.7 million (June 30, 2025, $3.1 million loss),
- Interest and accretion expenses on the convertible debenture of $1.3 million (June 30, 2025, $3 million); and
- Investment under equity method, share of loss from associate entity (Base Carbon) of $0.7 million (June 30, 2025, $0.1 million gain)

c. Basic and Diluted Loss per Share

For Q2 2026, the Company recorded basic and diluted loss per share of $0.79 (June 30, 2025, $0.49).

Results of Operations

Basis of Presentation

The following are the consolidated results from operations for the period ending June 30, 2026, compared to the same period in 2025.

Consolidated Financial Results

(expressed in $000s)	Q2 2026	Q2 2025	$ Change	% Change	YTD 2026	YTD 2025	$ Change	% Change
Transaction and clearing fees	4,496	-	4,496	-	5,912	-	5,912	-
Liquidity-related credits	(4,495)	-	(4,495)	-	(5,918)	-	(5,918)	-
Royalty income	-	35	(35)	-	40	64	(24)	(38%)
Revenue	2	35	(33)	(94%)	34	64	(29)	(46%)
Operating Expenses								
Research and development	1,403	1,207	196	16%	2,585	2,355	230	10%
Salaries and wages	4,020	2,753	1,267	46%	6,779	5,729	1,050	18%
Professional fees	4,706	2,088	2,618	125%	7,063	3,660	3,403	93%
Market development, marketing and promotion	4,746	1,366	3,380	248%	7,134	2,691	4,443	165%
General and administrative	1,291	791	499	63%	1,992	1,510	481	32%
Share-based compensation	2,626	3,230	(603)	(19%)	5,182	7,932	(2,750)	(35%)
Regulatory, license and subscription expenses	1,676	629	1,047	167%	3,433	2,400	1,033	43%
Total operating expenses	20,468	12,063	8,405	70%	34,167	26,277	7,890	30%
Operating loss for the period	(20,467)	(12,028)	(8,439)	70%	(34,133)	(26,213)	(7,919)	30%
Foreign exchange gain (loss)	424	(46)	471	(1,016%)	605	(87)	692	(797%)
Investment and interest income	118	295	(177)	(60%)	192	368	(177)	(48%)
Other income	66	77	(11)	(14%)	142	144	1	1%
(Loss) gain on investment under equity method	(652)	61	(713)	(1,163%)	(944)	194	(1,138)	(587%)
(Loss) gain on investments at fair value	(1,699)	(3,099)	1,400	(45%)	(4,662)	1,616	(6,278)	(389%)
Fair value loss on convertible note receivable	(413)	-	(413)	-	(413)	-	(413)	-
Amortization expense	(45)	-	(45)	-	(91)	-	(91)	-
Interest and accretion expenses	(1,321)	(3,000)	1,679	(56%)	(2,623)	(3,094)	470	(15%)
Deferred tax recovery	-	552	(552)	-	-	1,805	(1,805)	-
Unrealised loss on derivatives	(6,114)	-	(6,114)	-	(8,491)	-	(8,491)	-
Net loss for the period	(30,102)	(17,187)	(12,915)	75%	(50,418)	(25,267)	(25,152)	100%

Transaction and clearing fees

During Q2-2026, the Company generated $4.5 million from transaction and clearing fees on Abaxx Exchange ($nil in the quarter ended June 30, 2025). This is a significant milestone as the Company further develops and grows its revenue streams related to Abaxx Exchange and Abaxx Clearing. The Company spent $4.5 million on liquidity-building programs ("liquidity-related credits") to create the market conditions required to facilitate commercial use and adoption of its futures markets, resulting in revenue of $2 thousand.

Research and development

During Q2 2026, research and development costs increased by $0.2 million compared to Q2 2025, related to commercialization efforts of the Company's MarketOS™ suite and ID++ technology.

Salaries and wages

Abaxx continues to build out its world-class team of technologists and market professionals. During Q2 2026, costs increased by $1.3 million compared to Q2 2025, related to increasing staff for commercialization of both its futures markets and technology. Management remains focused on aligning the workforce with the skills needed to support the Company's growth, particularly in the Asia Pacific region, where efforts during the quarter focused on hiring and training personnel for exchange and clearing house operations.

Professional fees

During Q2 2026, professional fees increased by $2.6 million compared to Q2 2025, related to contract management personnel, accounting, auditing, other professional advisory services, legal, and patent work. These professional fees were for intellectual property requirements, ongoing legal commitments, the Company's launch of new products for the Exchange and Clearing House and building a properly functioning corporate infrastructure.

Travel, marketing and promotion

During Q2 2026, travel, marketing and promotion expenses increased by $3.4 million compared to Q2 2025, primarily related to the development and deployment of market maker programs across listed products in Abaxx futures markets. These efforts were supported by expanded connectivity with clearing firms, independent software vendors (ISVs), licensed data distribution partners, brokers, and financial and commercial trading participants.

General and administrative

During Q2 2026, the Company's general and administrative expenses increased by $0.5 million compared to Q2 2025, related to directors' and officers' insurance, public company fees, office spaces, administrative costs, and mining claims renewals and provisions.

Share-based compensation

During Q2 2026, the Company's share-based compensation expense decreased by $0.6 million, compared to Q2 2025. The decrease was due to fewer RSUs and stock options granted to employees, directors, contractors, and consultants in FY 2025 and FY 2026, and the expense was recognized over the subsequent vesting periods.

The Company's stock options and RSU incentive plans are intended to provide a non-cash incentive mechanism to foster the interests of its employees, directors, contractors, and consultants in the long-term success of the Company, and these will continue to be issued.

Regulatory, license and subscription expenses

During Q2 2026, regulatory, license and subscription expenses were $1.7 million, an increase of $1 million over Q2 2025, related to data licenses and subscriptions and key software subscriptions (such as AWS, Microsoft, and Bloomberg).

The Company's regulatory expenses are related to the fee paid to Singapore's Monetary Authority for operating a Clearinghouse (ACH) and Recognised Market Operator (RMO).

Investment and interest income

During Q2 2026, the Company recognized interest income of $0.1 million (June 30, 2025, $0.3 million) in its consolidated statement of operations and comprehensive loss. This interest income was mainly earned on regular bank account balances held during the period.

(Loss) gain on investment under equity method

The Company (a founding investor in Base Carbon Inc.) held an equity ownership of approximately 20.07% on June 30, 2026. The quoted market value for these shares in Base Carbon at June 30, 2026, was $12.3 million. The Company reports its investment in Base Carbon using the equity method of accounting due to its significant influence as a result of sharing two members of the board of directors and ownership percentage in Base Carbon.

During Q2 2026, Abaxx recorded a $0.7 million loss on its share in its equity-accounted investee as compared to a $61 thousand gain in Q2 2025.

During Q2 2026, Base Carbon revalued the carbon credits on its balance sheet to fair value, and revaluation gains and losses were accounted for using Abaxx's share of ownership.

(Loss) gain on investments at fair value

During Q2 2026, the Company recognized a $1.77 million loss (Q2 2025 $3.1 million) on change in investments at fair value in its consolidated statement of operations and comprehensive loss. The quoted stock price for MineHub Technologies Inc. decreased quarter over quarter as of June 30, 2026.

During Q2 2026, the Company recognized a $0.2 million gain (Q2 2025 $nil) on change in investments at fair value in its consolidated statement of operations and comprehensive loss for its investment in Pasig & Hudson.

Interest and accretion expenses, deferred tax, and derivative

These relate to the accounting and financial reporting for the convertible debentures held at June 30, 2026.

During Q2 2026, the Company incurred interest and accretion expenses of $1.3 million (June 30, 2025, $3 million) in its consolidated statement of operations and comprehensive loss.

During Q2 2026, the Company recorded an unrealized loss on derivatives of $6.1 million (June 30, 2025, $nil) related to the effect of the decline in the Company's share price during the quarter on its outstanding convertible debentures.

During Q2 2026, the Company recorded deferred tax recovery of $nil (June 30, 2025, $0.6 million) in its consolidated statement of operations and comprehensive loss.

Liquidity and Financial Position

Capital Resources

A key element of the Company's financing strategy is to fund its operations primarily through the issuance of equity and debt instruments. Accordingly, the Company has historically carried manageable amounts of long-term debt.

The Company may enter into credit facilities or other financing arrangements in future periods to capitalize on market opportunities.

The following table summarizes capital resources and cash as of June 30, 2026, and December 31, 2025:

(expressed in $000s)	June 30, 2026	December 31, 2025	$ Change	% Change
Cash and cash equivalents	95,074	62,214	32,860	53%
Cash and cash equivalent margin deposits and guaranty funds	17,257	11,942	5,315	45%
Margin deposits and guaranty funds	(17,257)	(11,942)	(5,315)	(45%)
Short term investments	373	370	3	1%
Other receivables	2,994	660	2,335	354%
Prepaid and other assets	1,096	1,704	(609)	(36%)
Convertible note receivables	13,792	6,853	6,939	101%
Accounts payable and accrued liabilities	(5,953)	(5,659)	(293)	(5%)
Due to related party	(4,108)	-	(4,108)	100%
Net Working Capital	**103,268**	**66,141**	**37,127**	**56%**
Convertible debenture	(24,012)	(24,607)	595	2%
Investments at fair value	14,870	15,273	(403)	(3%)
Investment in associate	14,360	14,788	(428)	(3%)
Derivatives	2,450	10,942	(8,491)	(78%)
Tangible Capital	**110,937**	**82,537**	**28,400**	**34%**

At June 30, 2026, the Company had $95.4 million in cash and cash equivalents and short-term investments, an increase of $32.9 million over December 31, 2025. The net working capital on June 30, 2026, was $103.3 million, an increase of $37.1 million over December 31, 2025.

Tangible Capital on June 30, 2026, was $110.9 million, compared with $82.5 million on December 31, 2025, an increase of $28.8 million. During Q2 2026, the Company continued to invest in its operational capabilities and net loss for the period of $30.1 million.

The Company owns 20 million shares in Base Carbon (Cboe Canada Exchange: BCBN) with a market value of $12.3 million on June 30, 2026. The investment in Base Carbon is recognized on the Company's balance sheet at fair value due to the IFRS reporting requirements for investment in an associate entity, which must be accounted for under the equity method.

Cash Flow Summary

(expressed in $000s)	Q2 2026	Q2 2025	$ Change	% Change	YTD 2026	YTD 2025	$ Change	% Change
Net cash provided by (used in)								
Operating activities	(16,626)	(8,598)	(8,028)	(93%)	(30,812)	(21,039)	(9,773)	(46%)
Financing activities	66,331	9,901	56,430	570%	61,933	32,574	29,359	90%
Change in cash and cash equivalents	49,705	1,304	48,402	3,713%	31,121	11,535	19,586	170%

Operating Activities

During Q2 2026, the Company used $16.6 million in cash for operating activities, an increase of $8 million to Q2 2025, as the Company expanded its sales team and market development efforts at Abaxx Exchange.

Investing Activities

During Q2 2026, the Company did not undertake any investing activities. (June 30, 2025, $nil).

Financing Activities

During Q2 2026, the Company closed a “bought deal" basis, 1,271,900 common shares of the Company at a price of $54.25 per Share for aggregate gross proceeds of $69 million.

During Q2 2026, the Company received $1.1 million from the exercise of stock options (June 30, 2025, $0.1 million).

Commitments and Contractual Obligations

Royalty Payments
The Company has a Royalty Agreement ("**Royalty**") with its subsidiary Abaxx Singapore. The Royalty payment contains the following terms:

- Abaxx Singapore will accrue and pay a royalty equal to 3% of gross revenue to the Company, payable quarterly, continuing in perpetuity until the obligation is relinquished by the Company.
- The amounts payable become due to the Company after Abaxx Singapore generates positive earnings before income tax and depreciation of USD$25 million in a calendar quarter.

The Company has a royalty agreement with Base Carbon that would pay Abaxx a 2.5% royalty on gross revenue for previous financial assistance and the usage of software it developed. The royalty is indefinite in term and Base Carbon has the right to buy back the royalty upon the payment of USD$150 million to Abaxx. The Company has earned $1.3 million since the inception of this royalty agreement.

Transfer of Intellectual Property and License Agreement
The Company has developed proprietary digital technology and intellectual property to solve core structural inefficiencies in today's commodity markets through a fully integrated market ecosystem.

During the period ended December 31, 2019, the Company entered into a Master Licensing Agreement ("MLA") with its majority-owned affiliate Abaxx Singapore Pte Ltd. (amended December 2020). As a result of this agreement, the Company was assigned exclusive title rights of use and sub-license rights to the Exchange Technology by way of a master license agreement.

The Company maintains ownership of the intellectual property licensing in the MLA.

Abaxx Singapore has agreed to pay the Company earnings if in the future it sub-licenses the Exchange Technology, in which case a result of the MLA royalty fees would be as follows:

- An amount equal to 20% of revenues on the first USD$2,000,000
- An amount equal to 10% of revenues on the next USD$3,000,000
- An amount equal to 5% of revenue on any excess revenue

Payments from Abaxx Singapore under these agreements are due monthly to the Company. As of June 30, 2026, Abaxx Singapore has accrued no significant amounts, under either a royalty agreement or the MLA.

The Company has not recorded the material benefits under either of these agreements and as of June 30, 2026, no material revenue has been generated from the Exchange Technology.

As of the period ended June 30, 2026, this agreement does not impact the Company's consolidated financial statements.

Contingency

The Company is a party to the claims & litigation arising in the normal course of business. Due to the inherent uncertainties of litigation and/or the early stage of certain proceedings, the outcomes of all ongoing litigation and claims cannot be predicted with certainty and the amount of any potential losses cannot be estimated reliably. The resolution of any future matters could materially affect the Company's financial position, results of operations, or cash flow.

Off-Balance Sheet Arrangements

There are currently no off-balance sheet arrangements that could have an effect on current or future results or operations or the financial condition of Abaxx.

Subsequent Events

On July 24, 2026, the Company commenced a normal course issuer bid (the "NCIB"). Under the NCIB, Abaxx may purchase for cancellation up to 400,000 common shares of the Company (the "Shares"), representing approximately 1.03% of the Company's issued and outstanding common shares as of July 10, 2026. The NCIB authorizes, but does not obligate, Abaxx to purchase any Shares.

The NCIB will commence on July 24, 2026, and will terminate on July 23, 2027, or earlier if the maximum number of Shares sought under the NCIB has been repurchased. Abaxx may also terminate the NCIB earlier if it deems it appropriate, subject to the terms of the automatic securities purchase plan described below. All Shares will be purchased on the open market through the facilities of the TSX as well as on alternative Canadian trading systems at prevailing market rates, and any Shares purchased by Abaxx will be canceled.

Critical Accounting Estimates

The preparation of the consolidated financial statements requires management to make certain estimates, judgments, and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The consolidated financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences.

Revisions to accounting estimates are recognized in the period in which the estimate is revised and in future periods if the revision affects both current and future periods. The estimates are based on historical experience, current and future economic conditions, and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future that management has made could result in a material adjustment to the carrying amounts of assets and liabilities, if actual results differ from assumptions made, relate to, but are not limited to, the following:

Share-based payments
Management is required to make certain estimates when determining the fair value of stock options awards, and the number of awards that are expected to vest. These estimates affect the amount recognized as share-based compensation in the statement of loss and comprehensive loss, based on estimates of forfeiture and expected lives of the underlying stock options.

Investments
Management is required to make certain estimates on inputs including revenue projections and multipliers and the selection of appropriate discount rates when determining the fair value of certain investments.

Derivatives
Management is required to make certain estimates on the determination of the fair value of derivatives including consideration of credit risk and implied share price volatility.

Fair value of financial instruments
The individual fair values attributed to the different components of a financing transaction, and/or derivative financial instruments, are determined using valuation techniques. The Company uses judgment to select the methods used to make certain assumptions and in performing the fair value calculations in order to determine (a) the values attributed to each component of a transaction at the time of their issuance; (b) the fair value measurements for certain instruments that require subsequent measurement at fair value on a recurring basis; and (c) for disclosing the fair value of financial instruments subsequently carried at amortized cost. These valuation estimates could be significantly different because of the use of judgment and the inherent uncertainty in estimating the fair value of these instruments that are not quoted in an active market.

Consolidation
Judgment is applied in assessing whether the Company exercises control and/or has significant influence over the entities in which the Company directly or indirectly owns an interest. The Company has control when it has the power over the subsidiary, has exposure to rights or variable returns and has the ability to use its power to affect the returns. Significant influence is defined as the power to participate in the financial and operational decisions of the subsidiaries. Where the

Company is determined to have control, these entities are consolidated. Additionally, judgment is applied in determining the effective date on which control, or significant influence was obtained.

The values relating to investment in associate involve significant estimates and assumptions, including future cash flows and discount rates. It is tested for impairment annually or more frequently if the circumstances or assumptions change significantly.

Political and Economic Risk

In general, a deterioration may occur in the Company's economic situation as a result of an act of war or hostilities, invasion, armed conflict or act of a foreign enemy, revolution, insurrection, insurgency occurs resulting in a material adverse result directly or indirectly affecting the Company. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operating subsidiaries in future periods.

Capital risk management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholders' returns by enhancing the share value.

The Company monitors its capital structure and adjusts according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general.

The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. Management and the Board of Directors review the capital structure on an ongoing basis.

The Company considers its capital to be equity, comprising share capital, contributed surplus, reserves, non-controlling interest, cumulative other comprehensive income, and deficit, which totaled $111.2 million as of June 30, 2026, (December 31, 2025, $82.9 million).

The Company manages capital through its financial and operational forecasting processes. It reviews its working capital and forecasts its future cash flow based on operating expenditure and other investment and financing activities. The company's approach to capital risk management did not change during Q2 2026, and it is not subject to any externally imposed capital requirements.

Related Party Transactions

The Company considers key management to be officers and directors. During the three and six months period June 30, 2026, $1,103,844 and $1,332,587 (three and six months June 30, 2025, $154,045 and $285,354) of fees were incurred from key management and companies controlled by or related to key management.

Key management and directors received $1,218,989 and $393,386, respectively, in share-based compensation during the period June 30, 2026 (June 30, 2025, $1,357,360 and $431,478, respectively).

During an ownership consolidation earlier this year, a director of the Company sold shares in the subsidiary (Abaxx Singapore Pte), resulting in an amount due to a related party of $4,107,629. The amount due is repayable on maturity in 12 months (March 2027) from date of issuance and is expected to be settled in cash. The related party transaction was conducted in the normal course of business and measured at the exchange amount, which is the amount agreed to by the related parties. After completion of the consolidation, Abaxx Technologies Corp. (Barbados) increased its ownership from 91.15% to 93.67% of the issued and outstanding ordinary shares of Abaxx Singapore.

Subsequent to June 30, 2026, the Company paid $2 million to the related party.

Outstanding Share Capital Data

As of the date of this MD&A, the Company had 38,789,168 common shares issued and outstanding, 3,735,516 options outstanding, each option exercisable for the purchase of one common share, 1,939,611 RSUs, each exercisable for one common share outstanding.

Risks and Uncertainties

Due to the nature of the Company's business and its present stage of development, prospective investors in the Company's securities should carefully consider the specific and general risks involved in an investment in the Company's securities. Risk factors that could materially affect the Company's business, results of operations, prospects, and financial condition include:

Nature of Business; Limited Operating History and Financial Resources; Dividends; Reporting Issuer Risk; Limited Assets; Limited Market for Securities; Risks related to insurance of Abaxx's operations; Additional Financing Requirements; Exposure and Sensitivity to Macro-Economic Conditions; Risks related to regulation by governmental authorities; insurrection and war; anthropogenic and carbon market related risk, Operations in Foreign Jurisdictions; Protection of Abaxx Tech Software and IP Portfolio; Global Financing Conditions; Acquisition Risk; Risks related to volatility of share price, absence of dividends and fluctuation of operating results; Competition; Growth Risk; Risks related to conflicts of interest; Political Regulatory Risks;

Currency Risk; Contractual Risk; Profitability Risks related to value of securities; Tax Amendment Risk; Litigation Risks; Going Concern Risk Economic environment and global economic risk; Market for Securities; Third Party Risk Clearinghouse Risk; Inadequacy of Risk Management Procedures; Malicious Actor Risk; Third-party Software License Risk; Competitive Risks for Abaxx Tech; Competitive Risks for AEX System Failure Risk; Security Threats; Limited Management Experience; Reliance on Management and Key Personnel; Software Development Risk; Undetected Error Risk; Risk of Technological Change; Dependence of Technical Infrastructure; Use and Storage of Personal Information and Compliance with Privacy Laws; Slow Acceptance of Products; Going Concern Risk;

Additional risks and uncertainties not presently known to the Company or that the Company does not currently anticipate will be material, may impair the Company's business operations and operating results, and as a result could materially impact its business, prospects and financial condition. Please refer to those risks discussed in the materials that management from time to time file with, or furnish to, the Canadian securities regulatory authorities, including the section entitled "Risks and Uncertainties" in the Company's most recently filed annual information form, available on SEDAR at www.sedar.com.

The Company is, from time to time, subject to claims, litigation, regulatory inquiries and other matters arising in the normal course of business. Between June 11 and June 30, 2026, Viceroy Research LLC ("**Viceroy**") published a series of reports and public communications concerning the Company and its subsidiary, Abaxx Exchange. Viceroy published these communications while disclosing a short position in Abaxx. The Company believes that the reports and other public communications were made as part of a "short and distort" scheme.

Abaxx regularly discloses that Abaxx Exchange conducts market maker and liquidity provider programs and the payments made under those programs. Conducting and making payment under market maker and liquidity provider programs is standard practice for exchanges and instrumental in how new futures markets are built. Abaxx and its board of directors believe that its programs are being misrepresented by Viceroy to create a false narrative from which Viceroy can profit through a decline in the Company's share price.

The Company has taken regulatory and legal action, requesting the Canadian Investment Regulatory Organization ("**CIRO**") investigate potentially manipulative or deceptive trading activity in Abaxx common shares, and retained Paul, Weiss, Rifkind, Wharton & Garrison LLP to investigate potential wrongdoing related to Viceroy's campaign and trading in the Company's shares and to assess all available legal remedies.

The Board of Directors of Abaxx also adopted a resolution authorizing the Audit Committee of the Board to oversee and conduct an independent investigation into these allegations. The Audit Committee retained independent legal counsel and a major international public accounting firm to assist in examining the allegations.

Among other things, Viceroy has alleged that trading on the Abaxx Exchange is increasingly reliant on pre-arranged block trades and wash trading. Viceroy also alleged that Kilo Capital and

Ivanhoe Capital are undisclosed related parties, that Ivanhoe Capital is a market-maker, and that both Kilo Capital and Ivanhoe Capital are actively involved in capital raising and wash trading with Abaxx.

Based on the investigative work undertaken to date, which involves an examination of trading over a defined review period, (i) Abaxx Exchange's trading monitoring systems did not detect evidence of "wash trading" in violation of the terms of the Abaxx Exchange Rulebook, (ii) no block trades were identified during the review period that would require disclosure under the terms of the Abaxx Exchange Rulebook, and (ii) Kilo Capital and Ivanhoe Capital are not part of Abaxx Exchange's market development program and did not execute any trades during the review period.

Although no evidence supporting these allegations has been found; the work requires a substantial amount of time and is ongoing. The Company will provide further updates upon the conclusion of the investigation or as otherwise required by applicable securities laws.

Disclosure Controls and Procedures

The Company's disclosure controls and procedures are designed to provide reasonable assurance that information is accumulated and communicated to the Company's management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. As of June 30, 2026, the Company's management, with the participation of the Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of its disclosure controls and procedures, as defined under the Canadian securities regulatory authorities, and have concluded that the Company's disclosure controls and procedures are not effective considering the material weakness in the Company's internal control over financial reporting as described below.

During the period ended June 30, 2026, the Company completed its accounting assessment of payments issued under its Market Maker and Liquidity Provider programs. The Company determined that liquidity-related credits to market makers and liquidity providers constitute consideration payable to customers under IFRS 15 and should be recognized as a reduction of related fee income, unless the payment is in exchange for a distinct good or service transferred to the Company. The Company also determined that delays in when market makers and liquidity providers were invoicing the Company for payments earned under these programs could result in the related payments being recognized in a period subsequent to the underlying program activity.

The Company is providing the table below to clarify the impact of these determinations on the previously issued unaudited condensed interim consolidated statement of operations and comprehensive loss for the three months ended March 31, 2026. The table illustrates that $543,357 of program payments previously presented with travel, marketing, and promotion expenses would be presented as a reduction in transaction and clearing revenue and that

program payments of $1,310,000 relating to March 2026 would have been recognized in 1Q 2026 rather than when the invoice was received and paid by the Company.

This change in presentation has no impact on cash and cash equivalents or total assets. Total liabilities increase and total shareholders' equity decrease by $1,310,000 as of March 21, 2026, while revenue decreases by $1,422,769, operating expenses decrease by $112,769 and net loss and comprehensive loss increase by $1,310,000 for the three months ended March 31, 2026. Because these programs are relatively new, there would be no significant change to prior quarters.

For the three months ended March 31, 2026	Previously reported	Reclassification /Correction	Reporting with reclassification /Restatement
Income:			
Transaction and clearing fees	$ 1,415,603	$-	1,415,603
Liquidity-related credits	-	(1,422,769)	(1,422,769)
Trading and Clearing Revenue	1,415,603	(1,422,769)	(7,166)
Royalty income	39,774	-	39,774
Total Revenue	$1,455,377	$(1,422,769)	$32,608
Operating Expense: Travel, marketing and promotion	$3,811,113	$(112,769)	$3,698,344
Total Operating Expenses	$15,121,386	$(112,769)	$15,008,617
Operating loss for the period	$(13,666,009)	$(1,310,000)	$(14,976,009)
Net loss for the period	$(20,316,391)	$(1,310,000)	$(21,626,391)
Comprehensive loss for the period	$(19,129,688)	$(1,310,000)	$(20,439,688)
Basic and diluted loss per share	$(0.55)	$(0.04)	$(0.59)
Total liabilities	$45,792,966	$1,310,000	$47,102,966
Total shareholders' equity	$57,840,361	$1,310,000	$59,150,361

Internal control over financial reporting (ICFR)

The management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting. These controls include policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit the preparation of financial statements in accordance with International Financial Reporting

Standards as issued by the International Accounting Standards Board and that receipts and expenditures are being made only in accordance with authorizations of management and directors of the Company; and

- provide reasonable assurance regarding the prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could materially affect the financial statements.

All control systems contain inherent limitations, no matter how well designed. As a result, the Company's management acknowledges that its internal control over financial reporting will not prevent or detect all misstatements due to error or fraud. In addition, management's evaluation of controls can provide only reasonable, not absolute, assurance that all control issues that may result in material misstatements, if any, have been detected. Our management under the supervision of our CEO and CFO has evaluated the design of our ICFR based on the Internal Control – Integrated Framework issued in 2013 by the Committee of Sponsoring Organizations of the Treadway Commission. Based on that assessment, management identified a material weakness in the Company's design of ICFR relating to the oversight of accounting assessments and documentation of accounting determinations related to revenue.

A material weakness is a deficiency, or a combination of deficiencies, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis. This material weakness created a reasonable possibility that a material misstatement of the consolidated financial statements would not be prevented or detected on a timely basis. Specifically, as outlined in the section above, during the period ended June 30, 2026, the Company completed its accounting assessment of payments under its Market Maker and Liquidity Provider programs. As part of that review, the Company determined that liquidity-related credits to market makers and liquidity providers constitute consideration payable to customers under IFRS 15 and should be recognized as a reduction of related fee income, unless the payment is in exchange for a distinct good or service transferred to the Company. The Company also determined that delays in when market makers and liquidity providers were invoicing the Company for payments earned under these programs could result in the related payments being recognized in a period subsequent to the underlying program activity.

These were new and evolving programs, and the Company's reliance on completed historical assessments that were not fully documented and aligned with IFRS Accounting Standards requirements for presentation of the costs of these market maker and liquidity provider programs was identified by the Company as a control deficiency. The Company executed a remediation plan to address the control deficiency. The remediation plan included a thorough review of the Company's accounting practices by management to ensure that the costs of market marker and liquidity provider programs are correctly recognized and presented.

Changes in internal control over financial reporting

With the exception of the item identified above, there have been no changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting during the period ended June 30, 2026.

Additional Information

Additional information relating to the Company, including its annual information form, can be found on SEDAR at https://www.sedarplus.ca/