



ABAXX TECHNOLOGIES INC.

**UNAUDITED CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 2025, AND 2024
(EXPRESSED IN CANADIAN DOLLARS)**

Abaxx Technologies Inc.
Condensed Interim Consolidated Statement of Financial Position
(Expressed in Canadian Dollars)
Unaudited

| | Note | September 30, 2025 | December 31, 2024 |
|---|------|-----------------------|----------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | | \$ 26,994,067 | \$ 25,403,981 |
| Member margin deposit and guaranty funds | 3 | 5,681,731 | 3,634,953 |
| Short term investments | 4 | 93,724 | 60,362 |
| Other receivables | 5 | 1,395,329 | 316,632 |
| Prepaid and other assets | | 1,317,354 | 918,262 |
| Convertible note receivables | 6 | - | 185,838 |
| | | 35,482,205 | 30,520,028 |
| Non-current assets | | | |
| Investments at fair value | 7 | 12,867,870 | 6,063,943 |
| Investment in associate | 8 | 13,884,114 | 14,590,400 |
| Goodwill | | 378,553 | 378,553 |
| Total Assets | | \$ 62,612,742 | \$ 51,552,924 |
| EQUITY AND LIABILITIES | | | |
| Current liabilities | | | |
| Accounts payable and accrued liabilities | 9 | \$ 4,416,784 | \$ 5,889,241 |
| Margin deposits and guaranty funds | 3 | 5,681,682 | 3,634,953 |
| | | 10,098,466 | 9,524,194 |
| Non-current liabilities | | | |
| Convertible debenture | 10 | 31,138,475 | - |
| Total liabilities | | \$ 41,236,941 | \$ 9,524,194 |
| Shareholders' equity | | | |
| Share capital - common shares | 11 | 140,800,939 | 131,827,547 |
| Preferred shares | 11 | 6,097,500 | 6,097,500 |
| Contributed surplus | 12 | 32,957,977 | 28,940,840 |
| Equity component of convertible debentures | 10 | 4,691,899 | - |
| Cumulative other comprehensive income | | 1,576,270 | 4,085,322 |
| Deficit | | (155,132,025) | (120,684,554) |
| Total equity of Abaxx Technologies Inc. | | 30,992,560 | 50,266,655 |
| Non-controlling interest | | (9,616,759) | (8,237,925) |
| Total shareholders' equity | | 21,375,801 | 42,028,730 |
| Total Shareholders' equity and liabilities | | \$ 62,612,742 | \$ 51,552,924 |

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements

Approved on behalf of the Board:

"Joshua Crumb", Director

"Scott Leckie", Director

Abaxx Technologies Inc.
Condensed Consolidated Interim Statements of Operations and Comprehensive Loss
(Expressed in Canadian Dollars)
Unaudited

| | Note | For the three months ended | | For the nine months ended | |
|--|------|----------------------------|------------------------|---------------------------|------------------------|
| | | September 30, 2025 | September 30, 2024 | September 30, 2025 | September 30, 2024 |
| (As recast, note 2) | | | | | |
| Income | | | | | |
| Trading and settlement income | | \$ 309,102 | \$ - | \$ 309,102 | \$ - |
| Royalty income | 8 | - | 383,538 | 63,675 | 812,109 |
| Gross margin | | 309,102 | 383,538 | 372,777 | 812,109 |
| Operating expenses | | | | | |
| Research and development | | \$ 1,150,219 | \$ 2,177,089 | \$ 3,505,335 | \$ 6,682,423 |
| Salaries and wages | | 2,754,875 | 2,231,455 | 8,484,222 | 6,417,118 |
| Professional fees | | 3,161,857 | 1,476,231 | 6,821,481 | 3,041,012 |
| Travel, marketing and promotion | | 1,714,252 | 434,786 | 4,404,996 | 1,655,703 |
| General and administrative | | 419,555 | 226,788 | 1,930,042 | 1,424,503 |
| Share-based compensation | 12 | 2,642,111 | 2,416,760 | 10,573,766 | 6,061,400 |
| Regulatory expenses | | - | - | 285,820 | 271,569 |
| License and subscription expenses | | 934,036 | 832,417 | 3,048,240 | 2,746,641 |
| Total operating expenses | | 12,776,905 | 9,795,526 | 39,053,902 | 28,300,369 |
| Operating loss for the period | | (12,467,803) | (9,411,988) | \$ (38,681,125) | \$ (27,488,260) |
| Foreign exchange gain (loss) | | 62,737 | (1,710) | (24,067) | (41,208) |
| Investment and interest income | 4 | 212,174 | 11,738 | 580,368 | 59,345 |
| Interest and accretion expenses | | (3,151,832) | - | (6,245,350) | - |
| Other income | | 57,624 | 87,077 | 201,432 | 265,363 |
| (Loss) gain on investment under equity method | 8 | (417,458) | 7,684 | (223,719) | (2,668,055) |
| Gain (loss) on investments at fair value | 7 | 5,187,512 | (333,333) | 6,803,271 | (642,513) |
| Fair value loss on convertible note receivable | 6 | - | (68,957) | - | (68,957) |
| Loss on sale of note receivable | 6 | (42,456) | - | (42,456) | - |
| Deferred tax recovery | 10 | - | - | 1,805,341 | - |
| Net loss for the period | | \$ (10,559,502) | \$ (9,709,489) | \$ (35,826,305) | \$ (30,584,285) |
| Net loss attributable to: | | | | | |
| Shareholders of the Company | | (10,074,584) | (9,240,274) | (34,447,471) | (29,177,553) |
| Non-controlling interest | | (484,918) | (469,215) | (1,378,834) | (1,406,732) |
| Net loss for the period | | \$ (10,559,502) | \$ (9,709,489) | \$ (35,826,305) | \$ (30,584,285) |
| Cumulative translation adjustment | | 44,375 | (816,295) | (2,509,052) | 722,063 |
| Comprehensive loss for the period | | \$ (10,515,127) | \$ (10,525,784) | \$ (38,335,357) | \$ (29,862,222) |
| Comprehensive loss attributable to: | | | | | |
| Shareholders of the Company | | \$ (10,030,209) | \$ (10,056,569) | \$ (36,956,523) | \$ (28,455,490) |
| Non-controlling interest | | \$ (484,918) | \$ (469,215) | \$ (1,378,834) | \$ (1,406,732) |
| Comprehensive loss for the period | | \$ (10,515,127) | \$ (10,525,784) | \$ (38,335,357) | \$ (29,862,222) |
| Basic & diluted net loss per share | | | | | |
| | 13 | | | | |
| Basic | | \$ (0.29) | \$ (0.28) | \$ (1.00) | \$ (0.89) |
| Diluted | | \$ (0.29) | \$ (0.28) | \$ (1.00) | \$ (0.89) |
| Basic & diluted weighted avg. number of common shares | | | | | |
| | 13 | | | | |
| Basic | | 34,456,201 | 33,302,463 | 34,306,260 | 32,611,016 |
| Diluted | | 34,456,201 | 33,302,463 | 34,306,260 | 32,611,016 |

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements

Abaxx Technologies Inc.
Condensed Interim Consolidated Statement of Cash Flows
(Expressed in Canadian Dollars)
Unaudited

| | Note | For the three months ended | | For the nine months ended | |
|--|------|----------------------------|-----------------------|---------------------------|-----------------------|
| | | September 30, 2025 | September 30, 2024 | September 30, 2025 | September 30, 2024 |
| Cash provided by (used in): | | | | | |
| Operating Activities | | | | | |
| Net loss for the period | | \$ (10,559,502) | \$ (9,709,489) | \$ (35,826,305) | \$ (30,584,285) |
| Adjustment for: | | | | | |
| Share-based compensation | 12 | 2,642,111 | 2,416,760 | 10,573,766 | 6,061,400 |
| Foreign exchange (gain) loss | | (290,860) | 343,782 | 318,428 | (358,762) |
| Fair value adjustment on convertible note receivables | 6 | - | 68,957 | - | 68,957 |
| Loss (gain) on investment under equity method | 8 | 417,458 | (7,684) | 223,719 | 2,668,055 |
| (Gain) loss on investments at fair value | 7 | (5,187,512) | 333,333 | (6,803,271) | 642,513 |
| Loss on sale of note receivable | 6 | 42,456 | - | 42,456 | - |
| Deferred tax recovery | 10 | - | - | (1,805,341) | - |
| Interest and accretion expenses | 10 | 3,151,832 | - | 6,245,350 | - |
| Changes in operating assets and liabilities: | | | | | |
| Margin deposits and guaranty funds | 3 | (49) | 37,518 | 166,565 | 37,518 |
| Other receivables | | 198,954 | 73,231 | (1,078,697) | (18,244) |
| Prepaid expenses | | (35,134) | 352,103 | (399,092) | (193,895) |
| Accounts payable and accrued liabilities | 9 | 844,602 | 272,677 | (1,472,457) | (964,107) |
| Net cash used in operating activities | | (8,775,644) | (5,818,812) | (29,814,879) | (22,640,850) |
| Investing Activities | | | | | |
| Purchase of short term investments | 4 | (30,000) | - | (30,000) | - |
| Sale of investments at fair value | 6 | 136,889 | - | 136,889 | - |
| Net cash provided in investing activities | | 106,889 | - | 106,889 | - |
| Financing Activities | | | | | |
| Proceeds from equity financing (net of issuance costs) | 11 | - | - | 650,000 | 17,457,278 |
| Proceeds from preferred shares issuance | 11 | - | - | - | 6,097,500 |
| Proceeds from exercise of options | 11 | 1,233,267 | 229,171 | 1,491,763 | 1,378,567 |
| Proceeds from convertible debenture | 10 | - | - | 31,390,365 | - |
| Shares issued for consulting services | | - | - | 275,000 | - |
| Net cash provided by financing activities | | 1,233,267 | 229,171 | 33,807,128 | 24,933,345 |
| (Decrease) increase in cash and cash equivalents | | (7,435,488) | (5,589,641) | 4,099,138 | 2,292,495 |
| Change in cash related to foreign exchange | | 44,375 | (816,296) | (2,509,052) | 722,063 |
| Cash and cash equivalents, beginning of period | | 34,385,180 | 34,584,671 | 25,403,981 | 25,164,176 |
| Cash and cash equivalents, end of period | | \$ 26,994,067 | \$ 28,178,734 | \$ 26,994,067 | \$ 28,178,734 |

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements

Abaxx Technologies Inc.
Condensed Interim Consolidated Statement of Changes in Equity
(Expressed in Canadian Dollars)
Unaudited

| | Number of Shares | Common shares | Preferred Shares | Equity component of convertible debenture | Contributed surplus | Cumulative other comprehensive income (loss) | Deficit | Non- Controlling interest | Shareholders' Equity |
|---|---------------------|------------------|---------------------|--|------------------------|---|------------------|---------------------------------|-------------------------|
| Balance, December 31, 2023 | 31,375,986 | \$ 101,173,100 | \$ - | \$ - | \$ 13,482,338 | \$ 651,297 | \$ (66,609,246) | \$ (5,812,756) | \$ 42,884,733 |
| Net profit and comprehensive loss for the period | - | - | - | - | - | 722,063 | (29,177,553) | (1,406,732) | (29,862,222) |
| Shares issued through equity financing | 1,437,500 | 17,457,278 | - | - | - | - | - | - | 17,457,278 |
| Preferred shares issuance | - | - | 6,097,500 | - | - | - | - | - | 6,097,500 |
| Exercise of options | 207,270 | 2,405,906 | - | - | (1,027,339) | - | - | - | 1,378,567 |
| Settlement of RSUs | 232,992 | 2,639,329 | - | - | (2,639,329) | - | - | - | - |
| Stock based compensation | - | - | - | - | 6,061,400 | - | - | - | 6,061,400 |
| Shares issued on acquisition of investments | 256,313 | 2,911,206 | - | - | - | - | - | - | 2,911,206 |
| Balance, September 30, 2024 | 33,510,061 | \$ 126,586,819 | \$ 6,097,500 | \$ - | \$ 15,877,070 | \$ 1,373,360 | \$ (95,786,799) | \$ (7,219,488) | \$ 46,928,462 |
| Balance, December 31, 2024 | 33,913,697 | \$ 131,827,547 | \$ 6,097,500 | \$ - | \$ 28,940,840 | \$ 4,085,322 | \$ (120,684,554) | \$ (8,237,925) | \$ 42,028,730 |
| Net loss and comprehensive profit (loss) for the period | - | - | - | - | - | (2,509,052) | (34,447,471) | (1,378,834) | (38,335,357) |
| Shares issued through equity financing | 50,000 | 650,000 | - | - | - | - | - | - | 650,000 |
| Exercise of options | 204,449 | 2,035,238 | - | - | (543,475) | - | - | - | 1,491,763 |
| Settlement of RSUs | 534,597 | 6,013,154 | - | - | (6,013,154) | - | - | - | - |
| Shares issued for consulting services | 24,664 | 275,000 | - | - | - | - | - | - | 275,000 |
| Share-based compensation | - | - | - | - | 10,573,766 | - | - | - | 10,573,766 |
| Equity component of convertible debenture | 3,846 | - | - | 4,691,899 | - | - | - | - | 4,691,899 |
| Balance, September 30, 2025 | 34,731,253 | \$ 140,800,939 | \$ 6,097,500 | \$ 4,691,899 | \$ 32,957,977 | \$ 1,576,270 | \$ (155,132,025) | \$ (9,616,759) | \$ 21,375,801 |

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements

Abaxx Technologies Inc.

Notes to Condensed Interim Consolidated financial statements

For the three and nine months ended September 30, 2025, and 2024

(Expressed in Canadian Dollars)

1. Nature of operations

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 its registered office is at 1250, 639 – 5th Avenue S.W., Calgary, AB T2P 0M9. The Company's common shares are listed on the Cboe Canada Exchange under the trading symbol “ABXX”.

Abaxx is a technology company engaged in developing and deploying trust-enabling internet protocols.

The Board of Directors approved the condensed interim consolidated financial statements on November 14, 2025.

2. Material accounting policies

These condensed interim consolidated financial statements apply the same accounting policies as those disclosed in the notes to the annual consolidated financial statements for the period ended December 31, 2024.

New standards and amendments to standards are effective for annual periods beginning on January 1, 2025. The Company has adopted the new and amended standards in preparing these condensed interim consolidated financial statements. The new and amended standards are not expected to significantly impact the Company's consolidated financial statements

(a) Statement of compliance

These unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2025, were prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (IAS 34), and do not include all the information required for full annual financial statements. These unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements for the period ended December 31, 2024.

They do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS Accounting Standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

(b) Basis of presentation

These condensed interim consolidated financial statements have been prepared using historical cost, except for certain of the Company's financial instruments, which are using historical cost, except for certain of the Company's financial instruments, which are measured at fair value.

The functional currency of the Company is the Canadian dollar which is also the presentation currency of the condensed interim consolidated financial statements.

(c) Accounting standards not yet adopted

Accounting standards not yet adopted Several new standards and amendments to standards are effective for annual periods beginning after January 1, 2026, and earlier application is permitted; however, the Company has not early adopted the new and amended standard in preparing these consolidated financial statements. The new and amended standard is not expected to impact the Company's consolidated financial statements significantly.

- Lack of Exchangeability (Amendments to IAS 21)

Abaxx Technologies Inc.

Notes to Condensed Interim Consolidated financial statements For the three and nine months ended September 30, 2025, and 2024 (Expressed in Canadian Dollars)

(d) Revenue

The Company recognises revenue when it is satisfied that the performance of the obligation to provide a promised service to the customer is complete. Revenue net of goods and services tax is recognised in the Condensed Consolidated Interim Statements of Operations and Comprehensive Loss on a trade date basis, for trading, clearing, and settlement contracts, net of rebates and on a per transaction basis.

(e) Recast of Comparative Period

Reclassification of Operating Expenses

During the three and nine months ended September 30, 2025, the Company reviewed its presentation of operating expenses and determined that an additional caption of License and Subscription Expenses provides more relevant and reliable information to the users of the financial statements in accordance with ISA 1 - Presentation of Financial Statements.

Previously, certain expenses were included in the Research and Development caption that are better aligned with the caption License and Subscription Expenses. Accordingly, the comparative figures for the period ended September 30, 2024, have been recast to align with the new presentation format.

The reclassification resulted in Research and Development Expenses previously reported as \$3,120,207 and \$6,419,558 being reduced by \$1,067,819 and \$1,914,224 (recast to \$2,052,388 and \$4,505,334), with a corresponding increase in License and Subscription expenses during the period ended September 30, 2024.

This reclassification did not impact the Net Loss, Net Comprehensive Loss, Net Assets or loss per share for the period. The changes affected only the classification within the Condensed Consolidated Interim Statements of Operations and Comprehensive Loss.

3. Member margin deposit and guaranty funds

The Company, through its subsidiary Abaxx Clearing, operates a clearing house, which acts as a central counterparty that becomes the buyer to every seller and the seller to every buyer for its clearing members or participants. Through this central counterparty function, the clearing house provides financial security for each transaction for the duration of the position by limiting counterparty credit risk. The clearing house is responsible for providing clearing services to its exchange.

Guaranty Funds

The clearing house requires each clearing member to make deposits to a fund known as the guaranty fund.

The guaranty fund's main purpose is to provide partial protection in the event of a clearing member default. As of September 30, 2025, the amount held in the guaranty funds was \$5,681,682 (December 31, 2024, \$3,634,953).

4. Short-term investments

The Company held short-term investments at the period-end and the balances are as follows:

| Guaranteed Investment Certificate ("GIC") | September 30, 2025 | December 31, 2024 |
|---|--------------------|-------------------|
| Opening balance | \$60,362 | \$60,362 |
| Addition | 35,000 | - |
| Foreign exchange adjustment | (1,638) | - |
| Total short-term investments | \$93,724 | \$60,362 |

During the three and nine months period ended September 30, 2025, the Company recognized investment income of \$473 and \$1,194 (three and nine months ended September 30, 2024, \$235 and \$1,113) in its condensed

Abaxx Technologies Inc.

Notes to Condensed Interim Consolidated financial statements For the three and nine months ended September 30, 2025, and 2024 (Expressed in Canadian Dollars)

consolidated interim statement of operations and comprehensive loss. The GIC has an interest rate of 2.75% and matures on December 8, 2025.

During the three and nine months period ended September 30, 2025, the Company recognized interest income of \$211,701 and \$579,174 (three and nine months ended September 30, 2024, \$11,503 and \$58,232) in its condensed consolidated interim statement of operations and comprehensive loss. This interest income was earned on regular bank account balances held during the period.

5. Other receivables

As at September 30, 2025, the Company has a related party loan (Minehub Technologies Inc) amounting to \$879,079 (December 31, 2024, \$Nil), which is included in other receivables on the balance sheet. This loan is unsecured, bears interest at 7% per annum, and matures on December 31, 2025.

6. Convertible note receivables

The following schedule presents the changes in the convertible note receivables:

| | Smart Crowd |
|------------------------------|-------------|
| December 31, 2024 | \$185,838 |
| Sale of investment | (136,889) |
| Loss on sale of investment | 42,456 |
| Foreign exchange adjustments | (91,405) |
| September 30, 2025 | \$- |

Smart Crowd Holding Limited.

In September 2018, the Company purchased an unsecured convertible note from an arms-length party, Smart Crowd Holding Limited ("SCHL"), in the amount of USD \$140,000 (\$181,888).

The note matures on the earlier of i) a liquidity event ii) or the optional conversion date of September 30, 2025.

The liquidity event is defined as any of the following events:

- i) SCHL entered into a binding agreement with an arm's length third party to acquire beneficial ownership of 50% or more of the voting shares of SCHL;
- ii) SCHL entered into a binding agreement to dispose of assets comprising more than half the value of the assets;
- iii) SCHL resolves to amalgamate with any other company, in a transaction that is in substance the same as those described above; and
- vi) SCHL enters into a listing agreement with a recognized stock exchange.

The convertible note receivable is measured at fair value through profit or loss. As of September 30, 2025, it was valued at \$Nil (December 31, 2024, \$185,838).

During the quarter ended September 30, 2025, the convertible note was sold for \$136,889, resulting in a loss on disposal of \$42,456.

Abaxx Technologies Inc.

Notes to Condensed Interim Consolidated financial statements For the three and nine months ended September 30, 2025, and 2024 (Expressed in Canadian Dollars)

7. Investments at fair value

The following schedule presents the changes in the investments at fair value:

| | Pasig & Hudson | AirCarbon | Minehub | Total |
|--|-------------------|-----------|--------------|--------------|
| December 31, 2023 | \$1,556,971 | \$161,161 | \$- | \$1,718,132 |
| Purchase of investment at fair value (iii) | - | - | 5,583,500 | 5,583,500 |
| Loss on investment at fair value (i) | (486,870) | (170,470) | (697,650) | (1,354,989) |
| Foreign exchange adjustments | 107,992 | 9,308 | - | 117,300 |
| December 31, 2024 | \$1,178,093 | \$- | \$4,885,850 | \$6,063,943 |
| December 31, 2024 | \$1,178,093 | \$- | \$4,885,850 | \$6,063,943 |
| Gain on investment at fair value (iii) | 31,654 | - | 6,771,617 | 6,803,271 |
| Foreign exchange adjustments | 656 | - | - | 656 |
| September 30, 2025 | \$1,210,402 | \$- | \$11,657,467 | \$12,867,870 |

(i) Pasig and Hudson

Pasig and Hudson, a Singapore company, is a private company that provides consulting, advisory, and development services in blockchain and other non-traditional banking solutions.

During the period ended December 31, 2018, the Company purchased 2,699,410 common stock of Pasig and Hudson Private Limited ("P&H"), representing 18% of the outstanding common stock, for a total consideration of USD \$600,000 in cash and 1,250,000 of common shares of the Company at a fair value of \$500,000.

The Company reports the interest in P&H at fair value, with changes in fair value recorded through the Company's consolidated statement of operations and comprehensive loss. As of September 30, 2025, the fair value of the Company's investment in P&H was estimated at \$1,210,402 (December 31, 2024, \$1,178,093). During the three and nine months period ended September 30, 2025, the Company recorded a change in the fair value of its investment of \$44,512 gain and \$31,654 gain (three and nine months September 30, 2024, \$nil and \$309,180).

(ii) AirCarbon Pte. Ltd

On February 11, 2021, the Company through its wholly owned subsidiary Abaxx Technologies Corp. acquired 673,360 Class C preference shares, representing a 2.68% equity voting stake in AirCarbon Pte. Ltd ("AirCarbon") for total consideration of USD \$500,000 (\$635,600). As at September 30, 2025, the Company owned 0.39% of Air Carbon.

The Company reports the interest in AirCarbon at fair value, with changes in fair value recorded through the Company's consolidated statement of operations and comprehensive loss. As at September 30, 2025, the fair value of the Company's investment in AirCarbon was estimated at \$nil (December 31, 2024, \$nil).

(iii) Minehub Technologies Inc.

In 2024, the Company entered into two share exchange agreements with Minehub Technologies Inc. ("Minehub") to acquire 17,143,334 shares, representing a 19.87% equity voting stake, for a total consideration of 456,359 Abaxx common shares. As at September 30, 2025, the Company held 17,143,334 shares representing 18.5% of the issued and outstanding shares of Minehub.

Abaxx Technologies Inc.

Notes to Condensed Interim Consolidated financial statements

For the three and nine months ended September 30, 2025, and 2024

(Expressed in Canadian Dollars)

The Company reports the interest in Minehub at fair value, with changes in fair value recorded through the Company's consolidated statement of operations and comprehensive loss. As at September 30, 2025, the fair value of the Company's investment in Minehub was estimated at \$11,657,467 (December 31, 2024, \$4,885,850). During the three and nine months period ended September 30, 2025, the Company recorded a change in the fair value of its investment of \$5,143,000 gain and \$6,771,617 gain (three and nine months September 30, 2024, \$333,333 and \$333,333).

8. Investment in associate

Base Carbon Inc.

Base (for the Benefit of Air, Sea, Earth) Carbon Inc. ("Base Carbon") is a globally diversified asset development firm in the business of sourcing, financing, developing, and trading carbon credits. Base Carbon's mandate is to be the preferred carbon project partner for financing, streaming, technology, and access to markets. Base Carbon is an early-stage business with revenue streams that are still being developed as the business was recently launched. Abaxx Technology Corp. was a founding shareholder of Base Carbon and at September 30, 2025, held approximately 18.8% (December 31, 2024, 17.7%) of shares outstanding that were acquired for \$2,490,695. The quoted market value for these shares in Base Carbon at September 30, 2025, was \$17,405,667. This value has not been adjusted on the balance sheet due to IFRS equity accounting as an investment in associate.

The Base Carbon Royalty provides that Base Carbon would pay Abaxx a 2.5% royalty for 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 US\$150,000,000 (above or in excess of any royalty already paid) to Abaxx. During 2025, \$63,675 (September 30, 2024, \$812,109) has been accrued under the royalty agreement. The royalty payment is conditional on Base Carbon having a positive EBITDA (earnings before interest, taxes, depreciation, and amortization) and for the period ended September 30, 2025, Base Carbon generated a positive EBITDA.

Base Carbon continues to be classified as an associate and accounted for under the equity method of accounting as the Company retains significant influence over the financial and operating matters of the associated company.

During the three and nine months period ended September 30, 2025, the Company recorded a share of the operating results of Base Carbon. The Company recorded a loss \$417,458 and \$223,719 respectively (the three and nine months period ended September 30, 2024, gain of \$7,684 and loss of \$2,668,055 respectively).

As at September 30, 2025, the Company has an unsecured arm's length loan from Base Carbon for \$1,061,944 (December 31, 2024, \$1,824,559) (see note 9). This loan is collateralized by future royalty funds from Base Carbon to the Company and has matured on September 16, 2025, and incurred interest at 9% per annum. This loan was repaid in October 2025.

9. Accounts payable and accrued liabilities

| | September 30, 2025 | December 31, 2024 |
|--|--------------------|-------------------|
| Accounts payable | \$2,062,64 | \$3,308,561 |
| Accrued liabilities | 1,292,176 | 756,121 |
| Due to a related party | 1,061,944 | 1,824,559 |
| Total accounts payable and accrued liabilities | \$4,416,784 | \$5,889,241 |

As at September 30, 2025, the Company has a related party loan (from Base Carbon Inc, see note 8) amounting to \$1,061,944 (December 31, 2024, \$1,824,559), which is usually included in accounts payable and accrued liabilities

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on the balance sheet. This loan was collateralized by future royalty funds from Base Carbon to the Company and has matured on September 16, 2025. This loan was repaid in October 2025.

10. Convertible debenture

On March 28, 2025, the Company closed the first tranche (the "First Tranche") of its non-brokered private placement (the "Offering") of secured convertible debentures (the "Debentures") for aggregate gross proceeds of \$22,849,000. The outstanding principal amount of the Debentures, together with any accrued and unpaid interest, will become due and payable in full on March 26, 2028 (the "Maturity Date") and will be payable in cash.

Each Debenture consists of \$1,000 principal amount of secured convertible debentures of the Company and is convertible into common shares of the Company (each, a "Debenture Share") at the option of the holder thereof before the Maturity Date at a conversion price equal to \$13.00 per Debenture Share (the "Conversion Price").

The Company has the right to redeem the Debentures at redemption price equal to 105% of the principal amount of the outstanding Debentures plus any accrued and unpaid interest to the date before the date of redemption:

(a) at any time, should the VWAP of the Company's common shares exceed 130% of the Conversion Price for no fewer than 20 out of 30 consecutive trading days, or (b) after March 26, 2027.

The Debentures were issued at an original issue discount equal to 2.5% of the aggregate principal amount of the Debentures and bear interest at a rate of 7.0% per annum from the date of issue, payable semi-annually in arrears in cash on September 30 and December 31 of each year following the first interest payment date of September 30, 2026. The Debentures are secured against particular publicly-traded securities owned by the Company.

In connection with the Offering, so long as the Debentures remain outstanding, the Company has agreed to not assume any additional indebtedness without the consent of a majority of the holders of Debentures as may be outstanding from time to time, other than: (a) certain permitted debt arrangements of up to \$10,000,000 for working capital or regulatory capital requirements in the normal course of business, and (b) trade indebtedness in the normal course of its business.

The Company paid \$1,021,838 in issuance costs, which included the finders' commission, legal fees, and bank fees for the execution of the convertible debenture offering.

As the debenture has a conversion feature, the equity and debt components must be bifurcated with value assigned to each. The value assigned to the liability on the date of issuance was the present value of the contractually determined stream of future cash flows discounted at 15.1%, being the estimated rate that the market would apply to an instrument with comparable credit status and provide substantially the same cash flows, on the same terms, but without the conversion option. From the date of issuance, the liability component accretes up to its principal value using the effective interest method, with the charge recorded in the Consolidated Interim Statements of Operations and Comprehensive Loss. The fair value assigned to the conversion feature, on the date of issuance, was based on the residual value for each. This resulted in an initial amount of \$18,119,669 being allocated to the liability portion and \$4,729,331 allocated to the equity portion. Deferred taxes of \$1,253,273 was netted against the equity portion of the convertible notes at inception. The offset was a net release in deferred tax valuation allowance resulting in a deferred tax recovery of \$1,253,273 in Q1 2025.

Total transaction costs related to the issuance of the convertible debt were allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component. They are amortized over the life of the convertible debentures using the effective interest method.

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On April 10, 2025, the Company closed the second and final tranche (the “Second Tranche”) of its previously announced non-brokered private placement (the “Offering”) of secured convertible debentures (the “Debentures”) for aggregate gross proceeds of \$10,065,000.

The outstanding principal amount of the Debentures, together with any accrued and unpaid interest, will become due and payable in full on March 26, 2028 (the “Maturity Date”) and will be payable in cash. Each Debenture consists of \$1,000 principal amount of secured convertible debentures of the Company and is convertible into common shares of the Company (each, a “Debenture Share”) at the option of the holder thereof prior to the Maturity Date at a conversion price equal to \$13.00 per Debenture Share (the “Conversion Price”).

The Company has the right to redeem the Debentures at redemption price equal to 105% of the principal amount of the outstanding Debentures plus any accrued and unpaid interest to the date prior to the date of redemption: (a) at any time, should the volume weighted average price (“VWAP”) of the Company’s common shares exceed 130% of the Conversion Price for no fewer than 20 out of 30 consecutive trading days, or (b) after March 26, 2027.

The Debentures were issued at an original issue discount equal to 2.5% of the aggregate principal amount of the Debentures and bear interest at a rate of 7.0% per annum from the date of issue, payable semi-annually in arrears in cash on September 30 and December 31 of each year following the first interest payment date of September 30, 2026. The Debentures are secured against certain publicly-traded securities owned by the Company.

The Offering is subject to the receipt of all necessary regulatory approvals, including the final approval of Cboe Canada. The net proceeds of the Second Tranche are expected to be used for general corporate and working capital purposes. The Debentures and Debenture Shares issuable pursuant to the Second Tranche are subject to statutory hold periods of four months and one day from the date of issuance.

No finder fees were issued in connection with the Second Tranche.

The following table summarizes the continuity of the Company’s convertible debenture:

| | Convertible Debenture | Liability Component | Equity Component |
|---|--------------------------|------------------------|---------------------|
| Balance at December 31, 2024 | \$- | \$- | \$- |
| Issuance of convertible debenture – Tranche 1 | 22,849,000 | 18,119,669 | 4,729,331 |
| Issuance of convertible debenture – Tranche 2 | 10,065,000 | 7,981,726 | 2,083,274 |
| Transaction costs | (1,523,635) | (1,208,270) | (315,365) |
| Accretion interest | 6,245,350 | 6,245,350 | - |
| Deferred tax | (1,805,341) | - | (1,805,341) |
| Balance at September 30, 2025 | \$35,830,374 | \$31,138,475 | \$4,691,899 |

The following relevant assumptions were used to estimate the fair value of the Debenture:

| | September 30, 2025 | |
|---------------------------------|--------------------|-----------|
| | Tranche 1 | Tranche 2 |
| Expected stock price volatility | 50.50% | 49.71% |
| Expected life (years) | 3 | 3 |
| Risk-free interest rate | 2.51% | 2.64% |
| Expected dividend yield | - | - |

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| | | |
|----------------------------|---------|---------|
| Interest rate | 15.1% | 15.1% |
| Share price of the Company | \$9.85 | \$9.61 |
| Conversion price | \$13.00 | \$13.00 |

11. Share capital

Common shares

The authorized share capital consists of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid. Common shares issued are as follows:

| | Number of common shares | Amount |
|--|----------------------------|----------------------|
| Balance, December 31, 2023 | 31,375,986 | \$101,173,100 |
| Shares issued through equity financing | 1,437,500 | 17,457,278 |
| Exercise of stock options | 164,413 | 1,928,995 |
| Settlement of RSUs | 173,368 | 1,882,480 |
| Balance, September 30, 2024 | 33,151,267 | \$122,441,853 |
| Balance, December 31, 2024 | 33,913,697 | \$131,827,547 |
| Shares issued through equity financing | 50,000 | 650,000 |
| Exercise of stock options | 204,449 | 2,035,238 |
| Settlement of RSUs | 534,597 | 6,013,154 |
| Shares issued for consulting services | 24,664 | 275,000 |
| Balance, September 30, 2025 | 34,731,253 | \$140,800,939 |

On January 31, 2025, the Company completed an equity financing for gross proceeds of \$650,000, issuing 50,000 Abaxx common shares at \$13.00 per share.

Preferred shares

The preferred shares are non-cumulative preferred shares of Abaxx Singapore Pte. The authorized share capital consists of an unlimited number of preferred shares. The preferred shares do not have a par value. All issued preferred shares are fully paid. The preferred shareholders are not entitled to a cash dividend. These preferred shares are convertible at the option of the preferred shareholders into ordinary shares of Abaxx Singapore Pte.

In the event of any voluntary or involuntary liquidation, dissolution or winding-up of Abaxx Singapore Pte or defined Liquidation Event, the holders of outstanding Preferred Shares shall be entitled to be paid out of the assets of Abaxx Singapore Pte available for distribution before any payment made to the holders of common shares. The Abaxx Singapore Pte's Board of Directors must approve any deemed Liquidation Event.

The Conversion Price for the Preferred Shares is subject to appropriate adjustment in the event of any share dividend, share split, combination or other similar recapitalization. The Preferred Shares also contain 'down-round' anti-dilution adjustments to the conversion ratio. The anti-dilution adjustments will affect the Conversion Price of the Preferred Shares (into Abaxx Singapore Pte Ordinary Shares) by varying the number of Abaxx Singapore Pte Ordinary Shares to be issued upon conversion than what was initially required without a down-round. No adjustments have been needed to date under these provisions.

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The preferred shares issued are as follows:

| | Number of common shares | Amount |
|---|----------------------------|---------------------|
| Balance, December 31, 2023 | - | \$- |
| Preferred shares issuance | 953,787 | 6,097,500 |
| Balance, September 30, 2024 | 953,787 | \$ 6,097,500 |
| <hr/> | | |
| Balance, December 31, 2024, and September 30, 2025 | 953,787 | \$ 6,097,500 |

12. Contributed surplus

Stock options:

The Company had the following stock option transactions for the period ended September 30, 2025, and September 30, 2024:

| | Number of stock options | Weighted average exercise price |
|------------------------------------|----------------------------|------------------------------------|
| Balance, December 31, 2023 | 1,689,308 | \$8.21 |
| Exercised | (164,413) | 8.13 |
| Granted | 921,670 | 13.10 |
| Cancelled | (61,278) | 9.89 |
| Balance, September 30, 2024 | 2,385,287 | \$8.22 |
| <hr/> | | |
| Balance, December 31, 2024 | 3,161,980 | \$11.69 |
| Exercised | (204,449) | 7.26 |
| Granted | 797,500 | 10.54 |
| Cancelled | (70,117) | 4.71 |
| Balance, September 30, 2025 | 3,684,913 | \$11.67 |

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The following table reflects the stock options issued and outstanding as of September 30, 2025:

| Expiry date | Exercise price (\$) | Weighted average remaining contractual life (periods) | Number of options outstanding | Number of options exercisable |
|-------------|---------------------|---|-------------------------------|-------------------------------|
| 18-Sep-27 | \$7.50 | 1.97 | 155,000 | 155,000 |
| 27-Sep-27 | \$7.15 | 1.99 | 125,000 | 125,000 |
| 22-Nov-27 | \$7.19 | 2.15 | 159,575 | 99,574 |
| 31-Dec-27 | \$7.50 | 2.25 | 314,718 | 314,718 |
| 2-Apr-27 | \$13.78 | 1.50 | 503,050 | 419,410 |
| 11-Jun-27 | \$12.00 | 1.70 | 399,500 | 266,331 |
| 31-Dec-27 | \$11.30 | 2.25 | 145,000 | 48,333 |
| 31-Dec-27 | \$11.06 | 2.25 | 449,103 | 149,701 |
| 31-Dec-27 | \$15.00 | 2.25 | 400,000 | 133,333 |
| 31-Dec-27 | \$13.00 | 2.25 | 61,500 | 61,500 |
| 31-Dec-27 | \$19.00 | 2.25 | 61,500 | 61,500 |
| 31-Dec-27 | \$25.00 | 2.25 | 61,500 | 61,500 |
| 31-Dec-27 | \$30.00 | 2.25 | 61,500 | 61,500 |
| 14-May-28 | \$13.00 | 2.62 | 80,000 | 26,667 |
| 14-May-28 | \$10.00 | 2.62 | 588,967 | 189,967 |
| 19-Jun-28 | \$11.15 | 2.72 | 119,000 | 39,667 |
| | | | 3,684,913 | 2,213,700 |

Restricted share units:

The Company established a restricted stock unit plan ("RSU Plan") that was approved by its shareholders. The RSU Plan, which is administered by the Board of Directors, is intended to provide an incentive and retention mechanism to foster the interest of eligible directors, officers, employees, and consultants in the Company's success.

Awards granted under the RSU Plan shall be settled at the sole discretion of the Company, either: (i) through the issue from treasury of the number of RSU shares represented by such vested award; or (ii) in the case of awards in respect of RSU shares that are common shares, through the purchase on the secondary market by the Company of the number of RSU shares represented by such vested award and delivery to such RSU holder.

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| | Number of RSUs |
|-----------------------------|----------------|
| Balance, December 31, 2023 | 405,820 |
| Granted | 655,273 |
| Settlement in common shares | (173,367) |
| Balance, September 30, 2024 | 887,726 |
| <hr/> | |
| Balance, December 31, 2024 | 2,423,055 |
| Granted | 149,164 |
| Settlement in common shares | (559,262) |
| Balance, September 30, 2025 | 2,012,957 |

During the three and nine months period ended September 30, 2025, share-based compensation totaling \$2,642,111 and \$10,573,766 (period ended September 30, 2024, \$2,416,760 and \$6,061,400) was recognized in the statement of operations and comprehensive loss in connection with stock options and RSUs.

13. Loss per share

For the periods ended September 30, 2025, and 2024, basic and diluted loss per share have been calculated based on the loss attributable to common shareholders and the weighted average number of common shares outstanding. Diluted loss per share did not include the effect of stock options and restricted share units, as they are anti-dilutive.

| | For the three months ended | | For the nine months ended | |
|--|----------------------------|-----------------------|---------------------------|-----------------------|
| | September 30, 2025 | September 30, 2024 | September 30, 2025 | September 30, 2024 |
| <hr/> | | | | |
| Basic and diluted loss per common share | | | | |
| Net loss attributable to common shareholders | \$ (10,074,584) | \$ (9,240,274) | \$ (34,447,471) | \$ (29,177,553) |
| Weighted average number of common shares outstanding | 34,456,201 | 33,302,463 | 34,306,260 | 32,611,016 |
| Basic and diluted loss per common share | \$ (0.29) | \$ (0.28) | \$ (1.00) | \$ (0.89) |

14. 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, return through 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. The capital structure is reviewed by Management and the Board of Directors on an ongoing basis.

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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 \$21,375,801 as of September 30, 2025, (December 31, 2024, \$42,028,730).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. There were no changes in the Company's approach to capital risk management during the period ended September 30, 2025, and the Company is not subject to any externally imposed capital requirements.

15. Related party transactions

The Company considers key management to be officers and directors. During the three and nine months period ended September 30, 2025, \$154,045 and \$439,399 (three and nine months September 30, 2024 \$113,124 and \$315,397) of fees were incurred from key management and companies controlled by or related to key management.

Key management and directors received \$1,941,427 and \$484,243, respectively, in share-based compensation during the period ended September 30, 2025 (September 30, 2024, \$230,755 and \$316,703, respectively).

16. Commitments

Royalty Payments

During the period ended December 31, 2019, the Company entered into 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 2% of gross revenue to the Company, payable quarterly as of April 1, 2019, 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\$25,000,000 in a calendar period.
- There is no interest accrued on royalty payments accrued and not yet paid.

As of September 30, 2025, Abaxx Singapore has achieved its first net revenue, and as such, the Company will begin to accrue royalties from Abaxx Singapore.

In addition, the Royalty permits the Company to purchase an increase in the royalty payments by 1% for USD\$10,000,000 by December 2025.

As of September 30, 2025, the Company has not made any payments to Abaxx Singapore to increase the royalty earnings percentage.

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 US\$150,000,000 to Abaxx. See note 8 for royalties earned under this agreement.

Transfer of Intellectual Property and License Agreement

The Company has developed proprietary digital technology and intellectual property for application to exchange trading and clearing for commodities and financial products including liquid natural gas as well as other tradable commodities and applications. ("Exchange Technology").

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During the period ended December 31, 2019, the Company entered into a Master Licensing Agreement (“MLA”) with its majority owned affiliate Abaxx Singapore. As a result of this agreement, the Company was assigned exclusive title rights of use as well as the 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 as 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 September 30, 2025, no amounts have been accrued by Abaxx Singapore and no amounts have been recorded as receivable by the Company under either a royalty agreement or the MLA.

The Company has not recorded the benefits under either of these agreements as an asset due to the intellectual property being still under development, no revenues have been generated and commercial viability of the Exchange Technology has not yet been determined.

As of September 30, 2025, this agreement does not impact the Company's condensed interim 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 final 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 flows.

17. Segment information

The Company operates in a single segment, being the development and deployment of trust-enabling Internet protocols. As at September 30, 2025, and 2024, the Company's core assets, intellectual property, and development work are conducted in Singapore.

18. Subsequent events

Financing

On October 20, 2025, the Company announced that it had closed a non-brokered private placement financing (the “Financing”) with a strategic investor (the “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.

Each Unit consists of one common share in the capital of the Company (a “Share”) and one-half of one Share purchase warrant (each whole warrant, a “Warrant”). Each Warrant entitles the holder to purchase an additional share at a price of US\$25.00 until April 20, 2028. The Warrants include anti-dilution provisions as well as a call provision allowing the Company to repurchase the Warrants at a price of C\$0.01 per Warrant upon 30 days' notice, in the event that the value-weighted average price of the Shares exceeds C\$41.76 for a period of 20 consecutive trading days.

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The proceeds of the Financing are expected to be used for general corporate and working capital purposes, including funding ongoing Abaxx Exchange and Clearing operations and additional product listings; Abaxx Private Digital Title technology pilot programs and accelerating new hires and go-to-market execution, and minimum regulatory requirements for Abaxx Exchange and Abaxx Clearing.

The Financing is subject to the final approval of Cboe Canada. All securities issued under the Financing will be subject to a four-month hold period in accordance with applicable Canadian securities laws.

Artex investment

October 1, 2025, the Company executed a securities exchange agreement (the “SEA”) with Artex AG (“Artex”), a company that provides artwork trading services located in the principality of Liechtenstein.

Pursuant to the SEA, Artex shall issue two convertible debentures (the “Debentures”) for an aggregate total value of US\$10,000,000 in exchange for (i) 291,751 free-trading common shares of Abaxx (the “Abaxx Shares”) at a deemed price per Abaxx Share of US\$17.138, which were issued on October 1, 2025, and (ii) US\$5,000,000 of Abaxx Shares at a floating price per Abaxx Share, which are issuable on or around January 31, 2026 (the “Transaction”). The Debentures are convertible at the option of Abaxx into common shares of Artex (“Artex Shares”) at any time, and at the option of Artex into Artex Shares subject to the completion of certain financial milestones by Artex.

The Debentures shall mature and become payable on the date which is three years from the date of issuance, and are secured against Artex Shares. In connection with the Transaction, the Company has also entered into a cooperation agreement with Artex, providing the terms of a strategic partnership to collaborate on technology integration, joint development, and mutual marketing and sales initiatives to achieve these shared objectives.