Tenet Fintech Group Inc.

Condensed Interim Consolidated Financial Statements (Unaudited) For the three-month periods ended March 31, 2026, and 2025

Financial Statements

TENET FINTECH GROUP INC.
Condensed Interim Consolidated Statements of Comprehensive Profit and Loss

For the three-month periods ended March 31, 2026, and 2025
(In Canadian dollars, except weighted average number of outstanding shares)
(Unaudited)

	Note	*Three-month periods ended* **March 31** **2026**	**2025**
Revenues		11,537,820	179,161
Expenses			
Cost of service		9,909,832	–
Software delivery services		1,663	7,825
Salaries and fringe benefits		976,787	1,389,785
Service fees		–	17,645
Board remuneration		37,500	37,500
Consulting fees		11,886	254,338
Outsourced services, software and maintenance		12,538	258,214
Professional fees		410,457	203,048
Marketing, public relations and press releases		39,520	23,237
Office supplies, software and hardware		105,594	113,875
Lease expenses		71,154	97,234
Insurance		115,442	131,779
Finance costs	20.4	383,871	524,862
Expected credit loss	4-5	107,350	425,064
Travel and entertainment		9,759	27,258
Stock exchange and transfer agent costs		13,479	9,541
Translation cost and others		33,455	8,679
Depreciation of property and equipment	6	510	30,455
Depreciation of right-of-use assets	6	13,559	58,792
Amortization of intangible assets	9	156,112	253,904
Amortization of financing issuance costs	12	16,307	17,582
Gain on legal settlement	10	(1,642,680)	–
Loss on foreign exchange		3,039	21,856
		10,787,134	3,912,473
Profit (loss) before income taxes		750,686	(3,733,312)
Income taxes		22,211	–
Net profit (loss)		728,475	(3,733,312)
Net loss attributable to :			
Non-controlling interest	23	130,081	(120,788)
Owners of the parent		598,394	(3,612,524)
		728,475	(3,733,312)
Item that will be reclassified subsequently to profit or loss			
Currency translation adjustment		339,114	(36,970)
Total comprehensive profit (loss)		1,067,589	(3,770,282)
Total comprehensive profit (loss) attributable to:			
Non-controlling interest	23	298,213	(79,633)
Owners of the parent		769,376	(3,690,649)
		1,067,589	(3,770,282)
Weighted average number of outstanding shares		325,140,867	264,113,283
Basic and diluted loss per share		0.002	(0.014)

Going concern uncertainty (note 2)
Subsequent events (note 26)

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

TENET FINTECH GROUP INC.

Condensed Interim Consolidated Statements of Changes in Equity

For the three-month periods ended March 31, 2026, and 2025

(In Canadian dollars)

		Capital stock									
	Note	Number of common shares	Amount	Equity to issue	Contributed surplus	Equity component of convertible debentures	Accumulated other comprehensive income (loss)	Deficit	Total attributable to owners of parent	Non controlling interest (note 23)	Shareholders' equity
Balance as at January 1, 2026		325,140,867	232,549,269	181,661	31,966,363	737,305	(1,008,605)	(277,659,444)	(13,233,451)	13,589,633	356,182
Transactions with owners		325,140,867	232,549,269	181,661	31,966,363	737,305	(1,008,605)	(277,659,444)	(13,233,451)	13,589,633	356,182
Net profit (loss)		–	–	–	–	–	–	598,394	598,394	130,081	728,475
Total comprehensive income (loss)		–	–	–	–	–	170,982	–	170,982	168,132	339,114
Total comprehensive income (loss) for the period		–	–	–	–	–	170,982	598,394	769,376	298,213	1,067,589
Balance as at March 31, 2026		325,140,867	232,549,269	181,661	31,966,363	737,305	(837,623)	(277,061,050)	(12,464,075)	13,887,846	1,423,771

		Capital stock									
	Note	Number of common shares	Amount	Equity to issue	Contributed surplus	Equity component of convertible debentures	Accumulated other comprehensive income (loss)	Deficit	Total attributable to owners of parent	Non controlling interest (note 23)	Shareholders' equity
Balance as at January 1, 2025		238,066,559	228,003,528	181,661	30,629,280	899,351	(828,085)	(268,313,810)	(9,428,075)	13,144,317	3,716,242
Issuance of shares and warrants	17.3-17.4	75,074,308	2,521,003	–	1,277,464	–	–	–	3,798,467	–	3,798,467
Issuance costs - shares and warrants	17.3	–	(301,972)	–	–	–	–	–	(301,972)	–	(301,972)
Issuance of broker compensation warrants	17.3	–	–	–	34,472	–	–	–	34,472	–	34,472
Conversion of debentures	12-17.3	12,000,000	2,263,297	–	–	(220,471)	–	–	2,042,826	–	2,042,826
Share-based compensation	18	–	–	–	258	–	–	–	258	–	258
Transactions with owners		325,140,867	232,485,856	181,661	31,941,474	678,880	(828,085)	(268,313,810)	(3,854,024)	13,144,317	9,290,293
Net loss		–	–	–	–	–	–	(3,612,524)	(3,612,524)	(120,788)	(3,733,312)
Total comprehensive income (loss)		–	–	–	–	–	(78,125)	–	(78,125)	41,155	(36,970)
Total comprehensive loss for the period		–	–	–	–	–	(78,125)	(3,612,524)	(3,690,649)	(79,633)	(3,770,282)
Balance as at March 31, 2025		325,140,867	232,485,856	181,661	31,941,474	678,880	(906,210)	(271,926,334)	(7,544,673)	13,064,684	5,520,011

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

TENET FINTECH GROUP INC.
Condensed Interim Consolidated Statements of Cash Flows
For the three-month periods ended March 31, 2026, and 2025
(In Canadian dollars)
(Unaudited)

	Note	*Three-month periods ended* **March 31** **2026**	**2025**
OPERATING ACTIVITIES			
Net profit (loss)		728,475	(3,733,312)
Non-cash items			
Expected credit loss	4-5	107,350	400,690
Depreciation of property and equipment	6	510	30,455
Depreciation of right-of-use assets	6	13,559	58,792
Amortization of intangible assets	9	156,112	253,904
Amortization of financing issuance costs	12	16,307	17,582
Accretion on debentures and bonds	12	204,503	170,907
Accretion of lease interest	11	3,610	53,697
Interest income on deposit		(9,416)	(1,333)
Share-based compensation	18	–	258
Loans receivable maturing in more than 12 months	4	(107,350)	(371,038)
Net changes in working capital items			
Income tax payable		91,319	(340)
Accounts receivable	5.1	2,939,225	(2,957)
Finance lease receivable	8	10,462	8,521
Prepayments to third party subcontractors	5.1	(201,041)	(66,663)
Other debtors	5.1	91,284	(47,435)
Loans receivable maturing in less than 12 months	4	(1,051,301)	321,997
Other prepaid expenses		279,675	137,238
Trade accounts payable and accruals	10	(2,834,123)	1,035,070
Interest payable on debentures	10	80,791	352,445
Advances from third-party customers	10	1,820	597
Contract liabilities with third-party customers	10	(63,772)	172,328
Cash flows from operating activities		457,999	(1,208,597)
INVESTING ACTIVITIES			
Return of capital from equity investment	7	204,141	–
Cash flows from investing activities		204,141	–
FINANCING ACTIVITIES			
Advances received from a company owned by a Director	10-21	24,252	–
Repayment of lease liabilities	11	(77,067)	(104,768)
Short term loan	15	–	50,000
Repayment of loan payable	16	–	(40,354)
Proceeds from the issuance of shares and warrants	17	–	1,139,943
Cash flows from financing activities		(52,815)	1,044,821
IMPACT OF FOREIGN EXCHANGE		357,132	(44,338)
Net increase(decrease) in cash		966,457	(208,114)
Cash, beginning of the period		1,341,666	890,085
Cash, end of the period		2,308,123	681,971

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

TENET FINTECH GROUP INC.

Condensed Interim Consolidated Statements of Financial Position

As at March 31, 2026 and December 31, 2025

(In Canadian dollars)

	Note	As at March 31, 2026	As at December 31, 2025
ASSETS			
Current			
Cash		2,308,123	1,341,666
Restricted cash		3,539	3,432
Loans receivable	4	19,027,060	17,975,759
Assets held for sale		118,354	127,376
Debtors	5.1	5,281,661	8,031,919
Finance lease receivable	8	43,476	42,640
Prepaid expenses		276,470	556,145
		27,058,683	28,078,937
Finance lease receivable	8	3,797	15,095
Deposit		–	69,797
Property and equipment	6	154,343	27,337
Investments	7	806,359	980,000
Intangible assets	9	983,697	1,115,766
		29,006,879	30,286,932
LIABILITIES			
Current			
Accounts payable, advances and accrued liabilities	10	20,449,207	23,130,402
Lease liabilities	11	120,163	115,700
Bonds	13	172,500	172,500
CEBA Loan	14	13,200	13,200
Short term loan	15	300,000	300,000
Loan payable	16	–	71,938
Debentures	12	5,148,474	3,780,455
Current tax liabilities		596,902	505,583
		26,800,446	28,089,778
Debentures	12	660,761	1,807,969
Lease liabilities	11	121,901	33,003
		27,583,108	29,930,750
SHAREHOLDERS' EQUITY			
Capital stock	17	232,549,269	232,549,269
Shares to be issued		181,661	181,661
Contributed surplus		31,966,363	31,966,363
Equity component of convertible debentures	12	737,305	737,305
Accumulated other comprehensive loss		(837,623)	(1,008,605)
Deficit		(277,061,050)	(277,659,444)
Shareholders' equity attributable to owners of the parent		(12,464,075)	(13,233,451)
Non-controlling interest	23	13,887,846	13,589,633
Total shareholders' equity		1,423,771	356,182
		29,006,879	30,286,932

Going concern uncertainty (note 2)
Subsequent events (note 26)

The accompanying notes are an integral part of these condensed interim condensed interim consolidated financial statements.
On behalf of the Board,

/S/ Johnson Joseph	/S/ Yves C. Renaud
Director	Director

1 - GOVERNING STATUTES, NATURE OF OPERATIONS AND GENERAL INFORMATION

Tenet Fintech Group Inc. (hereinafter "Tenet" or the "Company") was incorporated pursuant to the provisions of the Business Corporations Act (Alberta) on May 13, 2008, and continued under the Canada Business Corporations Act on April 4, 2011. Tenet Fintech Group Inc.'s head office is located at 82 Richmond St. E. Toronto ON M5C 1P1. Its shares are traded on the Canadian Stock Exchange (CSE) under the symbol "PKK". Its shares are quoted on the "OTCPK Venture Market in the U.S." under the symbol "PKKFF".

Tenet is the parent company of a group of innovative financial technology (Fintech) and artificial intelligence (AI) companies. Tenet's subsidiaries offer various analytics and AI-based products and services to businesses, capital markets professionals, government agencies and financial institutions either through or by leveraging data gathered by the Cubeler® Business Hub, a global ecosystem where analytics and AI are used to create opportunities and facilitate B2B transactions among its members.

2 - GOING CONCERN UNCERTAINTY

These condensed interim consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Company will continue in operation and be able to realize its assets and discharge its liabilities in the normal course of operations. In assessing whether the going concern assumption is appropriate, management considers all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. The use of these principles may not be appropriate.

The level of cash flows from operating activities currently being generated during the three-month periods ended March 31, 2026 was sufficient to meet the Company's working capital requirements mainly explained by the positive operating cash flow coming from the Chinese subsidiaries. The Company's ability to continue as a going concern depends upon its ability to rapatriate any profits from its activity and to raise additional financing if needed for business initiatives and growth. Even if the Company has been successful in the past in doing so, including a series of private placements, there is no assurance that it will manage to obtain additional financing in the future. In addition, the repatriation of any profits of funds raised by the Company in China, which the Company might want to repatriate from China to Canada, is subject to the rules and regulations established by the Chinese government that restrict the flow of funds between China and foreign jurisdictions.

Consequently, the Company may therefore not be able to repatriate profits or transfer funds from its Chinese holding or operating subsidiaries to its head office in Canada. Also, the Company incurred a net profit of $728,475 for the three-month period ended March 31, 2026 (compared to a net loss of $3,733,312 for the three-month period ended March 31, 2025), it has an accumulated deficit of $277,061,050 as at March 31, 2026 (accumulated deficit was $277,659,444 as at December 31, 2025) only recently achieved positive cash flows from operations for the first time this quarter. The company will continue to assess its working capital needs and undertake whatever initiatives it deems necessary to ensure that it continues to be in a position to meet its financial obligations. These material uncertainties may cast significant doubt regarding the Company's ability to continue as a going concern. During the first quarter of 2026, the Company remained subject to the FFCTO, which restricted its ability to raise funds in the public markets. As a result, the Company faced limitations in securing the capital required to support its basic operating needs and to advance the commercialization of its new product in Canada.

These condensed interim consolidated financial statements do not include any adjustments or disclosures that may be necessary should the Company not be able to continue as a going concern. If this were the case, these adjustments could be material.

3 - SUMMARY OF MATERIAL ACCOUNTING POLICIES

3.1 Statement of compliance with IFRS

These condensed interim condensed interim consolidated financial statements for the three-month period ended March 31, 2026, have been prepared in accordance with IAS 34 "Interim Financial Reporting". Since they are condensed financial statements, certain information and note disclosures normally included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), have been voluntarily omitted or summarized.

The preparation of financial statements in accordance with IAS 34 requires the use of certain accounting estimates and requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the financial statements have been set out in note 5 of the Company's condensed interim consolidated financial statements for the year ended December 31, 2025. There have not been any significant changes in judgments, estimates or assumptions since then. These condensed interim condensed interim consolidated financial statements should be read in conjunction with the Company's condensed interim consolidated financial statements for the year ended December 31, 2025.

The same accounting policies and methods of computation were used in the preparation of these condensed interim condensed interim consolidated financial statements as were followed in the preparation of the consolidated financial statements for the year ended December 31, 2025 except for new standards and interpretations effective January 1, 2026.

These condensed interim condensed interim consolidated financial statements for the three-month periods ended March 31, 2026, and 2025 were approved and authorized for the issue by the Board of Directors on June 24, 2026.

3.2 Basis of measurement

These condensed interim consolidated financial statements are prepared on an accrual basis using the historical cost method.

3.3 Basis of Consolidation

These condensed interim consolidated financial statements include the accounts of Tenet and all of its subsidiaries. The Company attributes the total comprehensive profit or loss of the subsidiaries between the owners of the parent company and the non-controlling interests based on their respective ownership interests.

3 - SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

The following entities have been consolidated within these condensed interim consolidated financial statements:

Entities	Registered	% of ownership and voting right	Principal activity	Functional Currency
Tenet Fintech Group Inc.	Canada		Holding and parent company	Canadian dollar
Cubeler Inc.	Canada	100%	Technology based product developer and procurement facilitator	Canadian dollar
Cubeler Inc. (U.S.)	United States	100%	Technology based product developer and procurement facilitator	US dollar
Tenoris 3 Inc.	Canada	100%	Technology based product developer and procurement facilitator	Canadian dollar
Asia Synergy Limited ("ASL")	Hong Kong	100%	Holding	US dollar
Asia Synergy Holdings Ltd. ("ASH")	China	100%	Holding	Renminbi
Asia Synergy Technologies Ltd. ("AST")	China	100%	Technology based product procurement facilitator	Renminbi
Asia Synergy Supply Chain Ltd. ("ASSC")	China	51%	Technology based product procurement facilitator	Renminbi
Zhejiang Xinjiupin - Oil & Gas Management Co. ("AJP")	China	100%	Technology based product procurement facilitator	Renminbi
Asia Synergy Data Solutions Ltd. ("ASDS")	China	100%	Fintech	Renminbi
Asia Synergy Supply-chain Technologies Ltd. ("ASST")	China	100%	Supply chain services	Renminbi
Beijing Xinxiangtaike Technologies Service Co.,Ltd. ("ASSI")	China	100%	Fintech	Renminbi
Wuxi Aorong Ltd. ("AORONG")	China	100%	Holding	Renminbi
Asia Synergy Financial Capital Ltd. ("ASFC")	China	51%	Financial institution	Renminbi
Huike Internet Technology Co., Ltd. ("HUIKE")	China	100%	Technology based product facilitator	Renminbi
Kailifeng New Energy Technology Co., Ltd. ("KALIFENG")	China	42.5%	Technology based clean energy trading platform facilitator	Renminbi
Shanghai Xinhuizhi Supply Chain Management Ltd. ("ASAC")	China	51%	Technology based product procurement facilitator	Renminbi
Jiangsu Supairui IOT Technology Co., Ltd. ("ASTH")	China	80%	Technology based product procurement facilitator	Renminbi
Wuxi Suyetong Supply Chain Management Co., Ltd. ("SST")	China	80%	Technology based product procurement facilitator	Renminbi
Jiangsu Steel Chain Technology Co., Ltd. ("STEELCHAIN")	China	100%	Technology based steel trading platform facilitator	Renminbi

(1) The Company indirectly holds 51% of ASFC's registered capital through nominee shareholder agreements and the contractual obligations they impose on the Company's nominee shareholders. Management exercised significant judgement in concluding that the Company controls ASFC. Please refer to the section Significant Accounting Judgments under Note 5.2.4 of the audited consolidated financial statements for the years ended December 31, 2025, and 2024 for further details on the key judgments applied in determining that the Company controls ASFC.

The Company's subsidiaries each have an annual reporting date of December 31 and are incorporated in either Canada, United States,Hong Kong or China. All intercompany transactions and accounts were eliminated upon consolidation, including unrealized gains or losses on intercompany transactions. Where unrealized losses on intercompany asset sales are reversed upon consolidation, the underlying asset is also tested for impairment from the Company's perspective. Accounting policies of subsidiaries have been adjusted to ensure consistency with the policies adopted by the Company.

Profit or loss of subsidiaries acquired or disposed of during the year are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable.

3.4 Foreign currency translation

Functional and presentation currency

The condensed interim consolidated financial statements are presented in Canadian dollars, which is also the functional currency of the parent company.

4 - LOANS RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES

One of the Company's subsidiaries in China, Asia Synergy Financial Capital ("ASFC"), provides various financial services to small and medium-sized enterprises.

ASFC provides loans that are either guaranteed by a related party, collateral assets or a combination of both. The loans secured with collateral are either secured by second-hand vehicles or by the residential property of the borrower. Loans not guaranteed by collateral assets are guaranteed by a related party.

The Company's loan portfolio constitutes a geographically concentrated market presence. Specifically, all auto-collateralized loans are exclusively secured by pre-owned automobiles located within the jurisdictions of Jiangsu Province (primarily within Wuxi City) and Shanghai. Furthermore, all residential property collateralized loans are secured solely by condominium units located within Wuxi City, Jiangsu Province.

Loans guaranteed by second-hand vehicles
The second-hand vehicles are valued by the company's credit department before approving a loan. The loan value at inception typically represents between 40% to 80% of the collateral value. The second-hand vehicles' collateral values are evaluated at the beginning of the loan and periodically during the life of the loan, based on an industry-recognized used car guide validated by company personnel, their knowledge, experience and the inspection process before approval of the loan.

Loans guaranteed by second rank mortgage on residential property
Before approving a loan, the Company's credit department will assess the value of any other mortgages taken out on the residential property and put it as collateral by the prospective borrower. The loan value at inception typically represents between 25% and 50% of the collateral value exceeding the first-rank mortgage taken by the borrower. The value of the residential property is evaluated at the beginning of the loan and periodically during the life of the loan based on a residential broker site, which is validated by the Company's personnel, their knowledge, experience and inspection process before approval of the loan.

All the loans secured by collateral assets are registered on the appropriate government-regulated system.

(In Canadian dollars)

4 - LOANS RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES (CONTINUED)

Credit & Supply Chain Finance Credit

The Company makes loans to small and medium enterprises ("SME") in the technology sector and in the retail sector. Before approving a loan, the Company performs an initial credit evaluation of the borrower. The credit evaluation includes the review of the borrower company's credit profile, operating performance, financial statements, tax payments and receipt records, shareholders' structure and their individual credit rating. Based on this initial evaluation, the Company will then proceed to sign a loan agreement with the SME borrowers. To mitigate the default risk in the case of any overdue situation incurred regarding these credit loans, a letter of guarantee must also be signed before the loan is finally granted to SME borrowers. Accordingly, a guarantor must agree to provide a full guarantee to cover any overdue principal and interest on behalf of the borrowers. The Company will also perform ongoing monitoring of SME borrowers through visits, phone calls and follow-up on business model developments. 100% of the credit and supply chain finance credit are guaranteed by an entity that is also a non-controlling shareholder of ASFC. No supply chain finance credit was granted during the period.

For the majority of loans granted, interest is payable by the borrower every month.

Loans receivable are summarized as follows:

	2026 March 31	2025 December 31
Principal balance loans receivable		
Autos	1,077,523	*1,044,561*
Residential Property	57,473	*62,024*
Credit and Supply Chain Finance Credit	19,879,628	*18,747,220*
Principal balance loans receivable	21,014,622	19,853,805
Less expected credit loss (ECL)	(1,969,705)	(1,862,354)
Foreign exchange	(17,857)	(15,692)
Loans receivable net	19,027,060	17,975,759
Loans receivable maturing in less than 12 months	19,027,060	17,975,759
Loans receivable maturing in more than 12 months	–	–
	19,027,060	17,975,759

Impaired loans and allowances for credit loss

The Company performed a three-stage forward-looking impairment approach to its loan portfolio to measure the expected credit loss as described in detail in the summary of significant accounting policies.

The Company applies a three-stage, forward-looking impairment approach to its loan portfolio to measure expected credit losses, as described in the summary of significant accounting policies note 4.11 of the consolidated financial statements for the year ended December 31, 2025. The ECL model incorporates both historical data and forward-looking macroeconomic factors, which may change over time, and the Company monitors these factors at each reporting period. The model is applied on a collective basis by product type; however, if indicators suggest that the collective assessment is no longer representative of underlying borrower risk, the Company will adjust its ECL model accordingly or migrate specific loans to a higher credit-risk stage.

The Company evaluates the guarantor’s financial capacity and liquidity using a combination of qualitative and quantitative information. This includes a review of unaudited financial information, annual tax-filing records, bank statements, and confirmation of the guarantor’s ongoing business relationships with selected clients and partners. These procedures are performed on a recurring basis, with financial information and bank statements reviewed quarterly and other supporting documentation reviewed annually.
The most recent quarterly review was completed for the three-month period ended March 31, 2026. Based on the information available at that date, management did not identify any material deterioration in the guarantor’s liquidity position or overall financial condition. The Company also maintains regular communication with the guarantor’s management to remain informed of any significant developments.

The guarantee provides substantive credit enhancement to the Company’s loan portfolio. As part of the ECL model, the recoverability of exposures benefiting from the guarantee is influenced by the guarantor’s creditworthiness. Any significant change in the guarantor’s liquidity, financial strength, or credit quality would directly affect the loss-given-default (LGD) assumptions applied to these exposures.
At the reporting date, management concluded that the guarantor continues to demonstrate sufficient financial capacity to support the guarantee, and no adjustments to the ECL model were required beyond those already incorporated into the Company’s standard credit-risk assessment process.

Interest revenue shall be calculated by using the effective interest method. This shall be calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for: financial assets that are not purchased or originated credit-impaired f inancial assets but subsequently have become credit-impaired financial assets. For those financial assets, the entity shall apply the effective interest rate to the amortised cost of the financial asset in subsequent reporting periods.

Certain loan exposures experienced a significant increase in credit risk and are supported by guarantees provided by Jiudong a 49% non-controlling shareholder of ASFC, covering principal and interest amounts on loans that experienced deterioration in the borrowers’ creditworthiness. The Company assessed whether these guarantees provide substantive credit support in measuring ECLs by evaluating the legal enforceability of the arrangements, the extent of coverage, Jiudong’s financial capacity and liquidity, and its demonstrated willingness and economic incentive to perform. Based on this assessment, the Company concluded that the guarantees constitute substantive credit enhancement. The guarantees do not affect the probability of default of the borrowers but are reflected in the loss given default through expected recoveries. These expected recoveries were incorporated into the measurement of lifetime ECLs. As a result, ECLs are reduced relative to an unsecured basis and remain sensitive to changes in the guarantor’s creditworthiness. The Company monitors both borrower and guarantor credit risk on an ongoing basis.

(In Canadian dollars)

4 - LOANS RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES (CONTINUED)

Credit quality of loans

The following table presents the gross carrying amount of loans receivable as at March 31, 2026 and 2025, according to credit quality and ECL impairment stages.

	Credit Loss Allocation Applied		
	Autos	**Residential Property**	**Credit and Supply Chain Finance Credit**
Stage 1	1.0%	1.0%	2.0%
Stage 2	6.8%	1.0%	10.0%
Stage 3	87.1%	1.0%	20.0%

March 31, 2026	**%**	**Gross Carrying Amount**	**Allowance for Credit Loss**	**Net Carrying Amount**
Stage 1: Performing	12.5%	2,631,550	(526)	2,631,024
Stage 2: Underperforming	0.0%	–	–	–
Stage 3: Credit-impaired	87.5%	18,383,072	(1,987,036)	16,396,036
	100.0%	21,014,622	(1,987,562)	19,027,060

December 31, 2025	**%**	**Gross Carrying Amount**	**Allowance for Credit Loss**	**Net Carrying Amount**
Stage 1: Performing	12.3%	2,444,515	(490)	2,444,025
Stage 2: Underperforming	1.1%	214,492	(1,044)	213,448
Stage 3: Credit-impaired	86.6%	17,194,798	(1,876,512)	15,318,286
	100.0%	19,853,805	(1,878,046)	17,975,759

The Gross Carrying Amount for loans to customers as at March 31, 2026, broken down by product type and stages as follows:

	Product Type - Autos			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Gross Carrying Amount as at January 1, 2026	–	–	1,044,561	1,044,561
Repayments (contractual)			(21,018)	(21,018)
Capitalized interest at quarter-end			14,633	14,633
Foreign exchange and other	–	–	39,347	39,347
Gross Carrying Amount as at March 31, 2026	–	–	1,077,523	1,077,523

	Product Type - Residential property			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Gross Carrying Amount as at January 1, 2026	–	14,056	47,968	62,024
Repayments (contractual)	–	(909)	(6,038)	(6,948)
Capitalized interest at quarter-end	–	–	365	365
Transfers				
- to lifetime ECL credit-impaired	–	(13,584)	13,584	–
Foreign exchange and other	–	437	1,594	2,032
Gross Carrying Amount as at March 31, 2026	–	–	57,473	57,473

	Product Type - Credit & Supply Chain Finance Credit			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Gross Carrying Amount as at January 1, 2026	2,444,517	200,437	16,102,267	18,747,221
Originations / new loans	363,780	–	–	363,780
Repayments (contractual)	(25,832)	–	(332,939)	(358,771)
Capitalized interest at quarter-end	26,356	–	517,582	543,938
Transfers				
- to lifetime ECL credit-impaired	(253,348)	(206,675)	460,023	–
Foreign exchange and other	76,079	6,238	501,142	583,459
Gross Carrying Amount as at March 31, 2026	2,631,553	–	17,248,075	19,879,628

(In Canadian dollars)

4 - LOANS RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES (CONTINUED)

The Gross Carrying Amount for loans to customers as at December 31, 2025, broken down by product type and stages as follows:

	Product Type - Autos			
	Stage 1	Stage 2	Stage 3	Total
Gross Carrying Amount as at January 1, 2025	–	–	950,478	950,478
Repayments (contractual)	–	–	(443)	(443)
Capitalized interest at year-end	–	–	98,853	98,853
Foreign exchange and other	–	–	(4,327)	(4,327)
Gross Carrying Amount as at December 31, 2025	–	–	1,044,561	1,044,561

	Product Type - Residential property			
	Stage 1	Stage 2	Stage 3	Total
Gross Carrying Amount as at January 1, 2025	35,077	–	139,988	175,065
Repayments (contractual)	(23,770)	–	(97,618)	(121,388)
Capitalized interest at year-end	–	1,992	3,964	5,956
Foreign exchange and other	2,041	(1,285)	1,635	2,391
Gross Carrying Amount as at December 31, 2025	–	14,055	47,969	62,024

	Product Type - Credit & Supply Chain Finance Credit			
	Stage 1	Stage 2	Stage 3	Total
Gross Carrying Amount as at January 1, 2025	3,132,981	9,481,045	5,251,369	17,865,395
Originations / new loans	245,000	–	–	245,000
Repayments (contractual)	(508,010)	–	–	(508,010)
Capitalized interest at year-end	105,470	1,004	1,138,396	1,244,870
Transfers				
- to lifetime ECL performing	(199,433)	199,433	–	–
- to lifetime ECL credit-impaired	(538,161)	(9,481,045)	10,019,206	–
Foreign exchange and other	206,668	–	(306,703)	(100,035)
Gross Carrying Amount as at December 31, 2025	2,444,515	200,437	16,102,268	18,747,220

The loss allowance for loans to customers as at March 31, 2026, broken down by product type, reconciles to the opening loss allowance for that provision as follows:

	Product Type - Autos			
	Stage 1	Stage 2	Stage 3	Total ECL
Loss allowance as at January 1, 2026	–	–	909,896	909,896
Originations net of repayments and other derecognitions	–	–	56,677	56,677
Net remeasurement	–	–	12,968	12,968
Foreign exchange and other	–	–	(27,965)	(27,965)
Loss allowance as at March 31, 2026	–	–	951,576	951,576

	Product Type - Residential property			
	Stage 1	Stage 2	Stage 3	Total ECL
Loss allowance as at January 1, 2026	1	42	480	523
Originations net of repayments and other derecognitions	–	(2)	(59)	(61)
Net remeasurement	–	–	97	97
- to lifetime ECL performing	–	(42)	42	–
Foreign exchange and other	–	2	15	17
Loss allowance as at March 31, 2026	1	–	575	576

	Product Type - Credit & Supply Chain Finance Credit			
	Stage 1	Stage 2	Stage 3	Total ECL
Loss allowance as at January 1, 2026	489	1,002	966,136	967,627
Originations net of repayments and other derecognitions	71	(33)	11,960	11,998
Net remeasurement	–	–	25,671	25,671
Transfers	–	–	–	–
- to lifetime ECL credit-impaired	(49)	(1,000)	1,049	–
Foreign exchange and other	14	31	30,069	30,114
Loss allowance as at March 31, 2026	525	–	1,034,885	1,035,410

(In Canadian dollars)

4 - LOANS RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES (CONTINUED)

The loss allowance for loans to customers as at December 31, 2025, broken down by product type, reconciles to the opening loss allowance for that provision as follows:

	Product Type - Autos			
	Stage 1	Stage 2	Stage 3	Total ECL
Loss allowance as at January 1, 2025	–	–	740,075	740,075
Originations net of repayments and other derecognitions	–	–	63,979	63,979
Net remeasurement	–	–	96,565	96,565
Foreign exchange and other	–	–	9,277	9,277
Loss allowance as at December 31, 2025	–	–	909,896	909,896

	Product Type - Residential property			
	Stage 1	Stage 2	Stage 3	Total ECL
Loss allowance as at January 1, 2025	4	–	1,400	1,404
Originations net of repayments and other derecognitions	(2)	–	(912)	(914)
Net remeasurement	–	41	–	41
Transfers				
- to lifetime ECL performing	(1)	1	–	–
Foreign exchange and other	–	–	(8)	(8)
Loss allowance as at December 31, 2025	1	42	480	523

	Product Type - Credit & Supply Chain Finance Credit			
	Stage 1	Stage 2	Stage 3	Total ECL
Loss allowance as at January 1, 2025	3,573	–	–	3,573
Originations net of repayments and other derecognitions	196	–	–	196
Net remeasurement	–	962	962,916	963,878
Transfers				
- to 12-month ECL	(40)	40	–	–
- to lifetime ECL performing	(3,220)	–	3,220	–
- to lifetime ECL credit-impaired	(20)	–	–	(20)
Loss allowance as at December 31, 2025	489	1,002	966,136	967,627

5 - DEBTORS AND DEPOSITS MADE FOR TRANSACTIONS ON PLATFORMS

5.1 Debtors

	2026 March 31	2025 December 31
Sales tax receivable	947,185	968,988
Advances to companies	270,720	260,991
Accounts receivable (1)	318,377	3,257,602
Subscriptions receivable from non-controlling interests	1,358,386	1,358,386
Prepayments to third party subcontractors (2)	2,386,993	2,185,952
	5,281,661	8,031,919

(1) The Company reassesses the recoverability of each debtor categorized by type of supply chain activity and by customer. During the three-month period ended March 31, 2026, an expense of $Nil (December 31, 2025 - an expense of $186,624) was recorded as expected credit loss in the condensed interim consolidated statements of comprehensive profit and loss. Please refer to the Note 25 Economic Dependance for more information regarding the concentration of risk as of March 31, 2026 regarding the remaining balance of Accounts Receivable still outstanding.

	2026 March 31	2025 December 31
Accounts receivable at the beginning of the period	3,257,602	387,530
Additions during the period	10,941,584	9,470,218
Collection for the balance during period	(10,894,862)	(6,726,381)
Collection for the balance in previous year	(3,027,150)	–
Expected credit loss (ECL)	–	186,624
Foreign exchange	41,204	(60,389)
Accounts receivable at the end of the period	318,377	3,257,602

The Company track the overdue days by using an aging matrix as follow based on internal credit risk exposure overdue days:

March 31, 2026	Current	30-90 days	91-180 days	>180 days	Total
Expected credit loss rate	0%	0%	0%	99%	
Estimated total gross carrying amount at default	–	181,000	–	14,997,952	15,178,952
Expected credit loss rate	–	–	–	14,860,575	14,860,575
Accounts receivable after expected credit loss	**–**	**181,000**	**–**	**137,377**	**318,377**

(In Canadian dollars)

5 - DEBTORS AND DEPOSITS MADE FOR TRANSACTIONS ON PLATFORMS (CONTINUED)

December 31, 2025	Current	30-90 days	91-180 days	>180 days	Total
Expected credit loss rate	0%	0%	0%	99%	
Estimated total gross carrying amount at default	2,995,060	129,311	–	14,545,268	17,669,639
Expected credit loss rate	–	–	–	14,412,037	14,412,037
Accounts receivable after expected credit loss	**2,995,060**	**129,311**	**–**	**133,231**	**3,257,602**

(2) Subsidiaries of the Company active in supply chain activity made prepayments to subcontractors to support operational supply chain processes. These prepayments were funded entirely by amounts received from the Company's underlying customer and were intended to be recovered through the subcontractors' future delivery of goods and services over the contract term. Although the Company did not use its own cash to fund these prepayments, the arrangement does not eliminate the credit risk associated with the subcontractors' ability to refund the Company, and ultimately the underlying customers from whom the funds originated. The Company no longer expects to recover these amounts through the performance of services.
As at the date of these financial statements, recovery is expected to occur in cash. Accordingly, the prepayments are treated as financial assets exposed to credit risk. The Company's exposure relates to the subcontractors' ability and willingness to settle the outstanding balance.

Management revised its expectation based on updated operational timelines communicated by the subcontractor after the initial verbal confirmation regarding early repayment. During second quarter of 2025 discussions, the supplier/subcontractor informed the Company that certain cash flows supporting the repayment schedule would be delayed due to changes in its internal planning and resource allocation. This updated information indicated that the conversion of the prepayment balance would occur later than originally anticipated or be paid into installments as per ongoing discussion, shifting the expected settlement date from March 31, 2026 to before the end of Q2 2026, based on the tripartite agreement signed. The guarantee was assessed as strong and enforceable based on due diligence performed by the Issuer in June 2025, including an evaluation of the guarantor's financial capacity and the legal enforceability of the guarantee arrangement. The Issuer's due diligence supported its conclusion that the guarantor has sufficient financial capacity and liquidity to fully satisfy the prepayment balances if required. This conclusion formed part of the key inputs used in measuring expected credit losses (ECLs), supporting the assessment that the recoverable portion of the gross carrying amount is solid and unconditional due to the quality and enforceability of the credit enhancement. The guarantee is expected to cover 100% of the outstanding amount, and its effect has been incorporated into the Issuer's ECL measurement. The presence of this credit enhancement significantly reduces the Company's exposure to credit loss and supports the conclusion that the expected credit loss remains Nil as of March 31, 2026.

The Company assesses the credit risk associated with these prepayments by considering historical settlement patterns, internal credit assessments, and relevant forward looking information. The most recent review, completed as of March 31, 2026, indicated no material deterioration in the subcontractors' financial condition. Management's assessment was supported by ongoing discussions with the subcontractors and their continued engagement toward resolving the outstanding balance.
Although the balance has been outstanding for an extended period, management determined that the risk of default remains limited. This conclusion reflects the
The Company track the overdue days by using an aging matrix as follow based on internal credit risk exposure overdue days:

	Current	30-90 days	91-180 days	>180 days	Total
31-Dec-25	–	–	–	2,185,952	2,185,952
31-Mar-26	–	–	–	2,386,993	2,386,993

6 - PROPERTY AND EQUIPMENT

	Right-of-Use Assets	IT & Office Equipment	Leasehold Improvement	Vehicles & Other Equipment	Total
Gross carrying amount					
Balance as at January 1, 2026	2,179,929	272,709	–	–	2,452,638
Additions	165,994	–	–	–	165,994
Balance as at March 31, 2026	2,345,923	272,709	–	–	2,618,632
Accumulated amortization					
Balance as at January 1, 2026	2,155,681	269,620	–	–	2,425,301
Depreciation	13,559	510	–	–	14,069
Exchange differences	24,521	398	–	–	24,919
Balance as at March 31, 2026	2,193,761	270,528	–	–	2,464,289
Net carrying amount as at March 31, 2026	152,162	2,181	–	–	154,343
Gross carrying amount					
Balance as at January 1, 2025	3,985,776	680,716	405,059	191,393	5,262,944
Disposals	(1,805,847)	(408,007)	(405,059)	(191,393)	(2,810,306)
Balance as at December 31, 2025	2,179,929	272,709	–	–	2,452,638
Accumulated amortization					
Balance as at January 1, 2025	2,451,506	343,500	66,978	181,382	3,043,366
Depreciation	178,242	76,783	28,705	(31,654)	252,076
Disposals	(661,482)	(119,258)	(95,683)	(149,783)	(1,026,206)
Exchange differences	187,415	(31,405)	–	55	156,065
Balance as at December 31, 2025	2,155,681	269,620	–	–	2,425,301
Net carrying amount as at December 31, 2025	24,248	3,089	–	–	27,337

(In Canadian dollars)

6 - PROPERTY AND EQUIPMENT (CONTINUED)

During the three-month period ended March 31, 2026, the Company's subsidiary, Asia Synergy Financial Capital Ltd. ("ASFC"), entered into a three-year lease agreement. As a result, the Company recognized Right-of-Use assets of $165,994 (December 31, 2025 – $Nil) in the condensed interim consolidated statements of financial position. A corresponding lease liability was also recorded in accordance with IFRS 16.

7 - INVESTMENTS

	2026 March 31	2025 December 31
Other equity investments (1)	806,359	980,000
	806,359	980,000

(1) The Company holds, through its ASFC subsidiary, a 5% equity interest in Wuxi Xincheng Venture Capital Partnership ("AVC"), a China-registered investment partnership. During the three-month period ended March 31, 2026, the Company recognized a return of capital totalling $204,141 from uninvested capital distributed from its investment in AVC. As the distribution did not relate to post-acquisition profits, it was accounted for as a reduction in the carrying amount of the investment. The Group's ownership percentage and level of significant influence remained unchanged. The fair market value of the equity investment is $806,359 as at March 31, 2026 (December 31, 2025 - $980,000).

The movement during the three-month period ended March 31, 2026 and the year ended December 31, 2025, relating to the other equity investments, were as follows:

	2026 March 31	2025 December 31
Balance at the beginning of the period	980,000	985,500
Return of capital (AVC)	(204,141)	–
Foreign exchange	30,500	(5,500)
Balance at the end of the period	806,359	980,000

8 - FINANCE LEASE RECEIVABLE

	2026 March 31	2025 December 31
Balance at the beginning of the period	57,735	92,464
Rental payments received	(10,462)	(34,729)
Balance at the end of the period	47,273	57,735
Current Portion	43,476	42,640
Non-current Portion	3,797	15,095

As a sublessor, the Company classifies its subleases as either operating or finance leases. In order to do so, the Company assesses whether it transfers substantially all the risks and rewards of ownership. Those assets that transfer substantially all the risks and rewards are classified as finance leases and the opposite as operating leases.

Since March 1, 2024, the Company changed its head office location from 119 Spadina Avenue, Suite 705, Toronto, ON to 82 Richmond St. E. Toronto, ON M5C 1P1. Consequently, the Company subleased its prior office space for the residual duration of the initial lease and entered into a new short-term lease. As part of the sublease, the Company recognized a finance lease receivable of $100,980, derecognized the residual value of the right-of-use asset having a net book value of $259,183 and recorded a loss on sublease of $158,203 in the consolidated statement of comprehensive profit an loss for the year ending December 31, 2024.

The Company's undiscounted lease payment to be received as at March 31, 2026 were as follows:

As at March 31, 2026	**Payments to be received by period**			
	1 year	2 - 5 years	Beyond 5 years	Total
Lease payments to be received	44,855	3,813	–	48,668

As at March 31, 2025	**Payments to be received by period**			
	1 year	2 - 5 years	Beyond 5 years	Total
Lease payments to be received	44,555	15,252	–	59,807

The total unearned finance income up to the end of the sublease term is $1,395 as at March 31, 2026 ($2,072 - December 31, 2025).

The total other rental income collected from the subtenant relating to additional rent (operating expenses recovery) is recorded as revenues in the condensed interim consolidated statement of comprehensive profit and loss for the three-month period ended March 31, 2026.

(In Canadian dollars)

9 - INTANGIBLE ASSETS

The carrying value of the intangible assets as at March 31, 2026 and December 31, 2025, were as follows:

	Loan Servicing Agreement	Gold River Platform	System Integration Platform *(Formerly called Cubeler Interface)*	Cubeler Platform	Other ERP Platforms	Heartbeat Platform	Tradenames	Total intangible assets
Gross carrying amount								
Balance as at January 1, 2025	1,430,000	19,508,201	2,708,222	24,924,238	6,867,050	10,254,843	5,287,000	70,979,554
Balance as at March 31, 2026	1,430,000	19,508,201	2,708,222	24,924,238	6,867,050	10,254,843	5,287,000	70,979,554
Accumulated amortization and impairment loss								
Balance as at January 1, 2025	1,001,000	19,508,201	2,708,222	24,924,238	6,182,116	10,254,843	5,285,168	69,863,788
Amortization	35,750	–	–	–	120,237	–	125	156,112
Exchange differences	–	–	–	–	(24,043)	–	–	(24,043)
Balance as at March 31, 2026	1,036,750	19,508,201	2,708,222	24,924,238	6,278,310	10,254,843	5,285,293	69,995,857
Net carrying amount as at March 31, 2026	393,250	–	–	–	588,740	–	1,707	983,697
Gross carrying amount								
Balance as at January 1, 2025	1,430,000	19,508,201	2,708,222	24,924,238	6,877,035	10,254,843	5,287,000	70,989,539
Addition	–	–	–	–	(9,985)	–	–	(9,985)
Balance as at December 31, 2025	1,430,000	19,508,201	2,708,222	24,924,238	6,867,050	10,254,843	5,287,000	70,979,554
Accumulated amortization and impairment loss								
Balance as at January 1, 2025	858,000	19,508,201	2,708,222	24,924,238	5,458,888	10,254,843	5,284,668	68,997,060
Amortization	143,000	–	–	–	458,214	–	500	601,714
Exchange differences	–	–	–	–	265,014	–	–	265,014
Balance as at December 31, 2025	1,001,000	19,508,201	2,708,222	24,924,238	6,182,116	10,254,843	5,285,168	69,863,788
Net carrying amount as at December 31, 2025	429,000	–	–	–	684,934	–	1,832	1,115,766

(In Canadian dollars)

10 - ACCOUNTS PAYABLE, ADVANCES AND ACCRUED LIABILITIES

	2026 March 31	2025 December 31
Trade accounts payable and accruals	15,886,480	17,003,945
Advances received from a company owned by a Director, no interest (1)	1,279,891	1,217,740
Advances from third-party customers, no interest	48,675	46,855
Contract liabilities with third-party customers, no interest (2,3)	2,549,142	2,612,914
Interest payable on debentures (note 12)	685,019	604,228
Provision for legal settlement (4)	–	1,644,720
	20,449,207	23,130,402

(1) During the three-month period ended March 31, 2026, a Company owned by a Director of the Company, made a series of short-term loans totally approximately $24,252 to Asia Synergy Holding Inc. ("ASH"), a wholly owned subsidiary of the Company. The balance of the net advances received from a Company owned by a Director at no interest as at March 31, 2026 is $1,279,891 (December 31, 2025 - $1,217,740). A foreign exchange gain of $37,899 was recognized.

(2) Advances from customers primarily arise from contracts within the Fintech Platform segment, where customers may pay in advance for supply chain services, annual platform access fees, and research and development related services.

(3) The table below summarizes the significant changes in contract liabilities with third-party customers.

	2026 March 31	2025 December 31
Balance at the beginning of the period	2,612,914	2,164,371
Increase in contract liabilities during the period	–	1,298,123
Revenue recognized for balances included in Contract liabilities Balance at the beginning of the period	(145,093)	–
Revenue recognized for balances included in Contract liabilities Balance in previous years	–	(14,886)
Revenue recognized for Contract liabilities originated during the period	–	(802,175)
Other	–	(21,806)
Exchange differences	81,320	(10,713)
Balance at the end of the period	2,549,142	2,612,914

(4) On March 6, 2026, the Company announced that the class action lawsuit filed on October 25, 2023 in the United States District Court for the Eastern District of New York against the Company and its Chief Executive Officer and former Chief Financial Officer, which alleged four counts of violations of the securities laws of the United States, has been voluntarily dismissed by the plaintiffs without prejudice pursuant to a stipulation of voluntary dismissal agreed to by the parties and filed with the Court on February 24, 2026. The Court has administratively closed the case. The Company did not pay any compensation to the plaintiffs, nor does it have any obligations, financial or otherwise, owed to the plaintiffs in connection with the Lawsuit. The provision was reversed during the quarter.

11 - LEASE LIABILITIES

	2026 March 31	2025 December 31
Balance at the beginning of the period	148,703	1,895,774
Adjustment	–	(1,245,609)
Additions (1)	165,994	–
Accretion interest	3,610	157,113
Lease payments	(77,067)	(621,105)
Effect of exchange rate change on obligation	824	(37,470)
Balance at the end of the period	242,064	148,703
Current Portion	120,163	115,700
Non-current Portion	121,901	33,003

(1) During the three-month period ended March 31, 2026, the Company's subsidiary, Asia Synergy Financial Capital Ltd. ("ASFC"), entered into a lease agreement for a term of three years. Consequently, the addition of lease liabilities regarding the new lease of $165,994 (December 31, 2025 - $Nil) was recorded in the condensed interim consolidated statement of financial positions.

The Company's obligations regarding lease payments as at March 31, 2026, and December 31, 2025, were as follows:

As at March 31, 2026	**Payments due by period**			
	1 year	2 - 5 years	Beyond 5 years	Total
Lease payments	161,832	101,501	–	263,333

(In Canadian dollars)

11 - LEASE LIABILITIES (CONTINUED)

As at December 31, 2025	**Payments due by period**			
	1 year	2 - 5 years	Beyond 5 years	Total
Lease payments	98,760	33,348	–	132,108

12 - DEBENTURES

The carrying value of the debentures as at March 31, 2026 and 2025, was as follows:

	2026 March 31	**2025** December 31
Debenture issuance of December 23, 2022 (note 12.1)	450,000	450,000
Debenture issuance of January 31, 2023 (note 12.2)	50,000	50,000
Debenture issuance of August 1, 2023 (note 12.3)	2,408,993	2,316,619
Debenture issuance of August 18, 2023 (note 12.4)	349,632	336,410
Debenture issuance of September 8, 2023 (note 12.5)	651,813	627,426
Debenture issuance of Februaty 2, 2024 (note 12.6)	824,889	781,728
Debenture issuance of Februaty 27, 2024 (note 12.7)	413,146	393,836
Debenture issuance of April 16, 2024 (note 12.8)	660,761	632,405
Debentures	5,809,234	5,588,424
Debentures, short-term	5,148,474	3,780,455
Debentures, long-term	660,761	1,807,969
	5,809,235	5,588,424

As at March 31, 2026, $685,019 of interest payable on debentures is recorded in accounts payable, advances and accrued liabilities (December 31, 2025 - $604,228).

12.1 Debenture issuance of December 23, 2022

On December 23, 2022, the Company issued 308 units of convertible debentures for gross contractual proceeds of $3,080,000 (net proceeds of $2,864,400 after related expenses). Each unit sold comprised of $10,000 face value debentures, maturing on December 23, 2024, bearing interest at a nominal rate of 10% payable monthly, plus 10,000 purchase warrants, for a total of 3,080,000 purchase warrants, exercisable into Company common shares at $2.00 per share for a period of 24 months from the date of issuance.

The debentures, at issuance, allowed their subscribers to convert them into common shares of the Company at any time prior to maturity, subject to certain terms and conditions, at $1.00 per common share.

On April 19, 2023, the Company amended the conversion terms of the convertible debentures to allow the holders thereof to convert the face value of the Debentures into Debentures Shares at the price to be determined under the next transaction or series of directly related transactions in the course of which the Corporation issues and sells common shares or units for aggregate net proceeds of not less than $5,000,000, the whole in accordance with the terms and conditions set forth in an amending agreement with each of the Holders. As such, subsequenty to the debenture issuance of August 18, 2023 (refer to note 12.4), the debentures are convertible at a price of $0.25 per common share.

On December 23, 2024, convertible debentures with nominal value of $680,000 were expired. $230,000 of that amount was repaid from the proceeds of the private placement closed on November 29, 2024, resulting in a remaining balance of $450,000 as at December 31, 2025. The Company is in negotiations with the holders to arrange a repayment date. Interest expense has been accrued in accordance with the original terms of the convertible debentures for the three-month period ended March 31, 2026.

The movement during the three-month period ended March 31, 2026 and 2025, relating to those debentures, was as follows:

	2026 March 31	**2025** December 31
Balance at the beginning of the period	450,000	450,000
Balance at the end of the period	450,000	450,000

As at March 31, 2026, $9,770 of interest payable on debenture is recorded in accounts payable, advances and accrued liabilities (December 31, 2025 - $9,770).

12.2 Debenture issuance of January 31, 2023

On January 31, 2023, the Company issued 351 units of convertible debentures for gross contractual proceeds of $3,510,000 (net proceeds of $3,280,350 after related expenses). Each unit sold comprised of $10,000 face value debentures, maturing on January 31, 2025, bearing interest at a nominal rate of 10% payable monthly, plus 10,000 purchase warrants, for a total of 3,510,000 purchase warrants, exercisable into Company common shares at $2.00 per share for a period of 24 months from the date of issuance.

The debentures, at issuance, allowed their subscribers to convert them into common shares of the Company at any time prior to maturity, subject to certain terms and conditions, at $1.00 per common share.

(In Canadian dollars)

12 - DEBENTURES (CONTINUED)

On April 19, 2023, the Company amended the conversion terms of the convertible debentures to allow the holders thereof to convert the face value of the Debentures into Debentures Shares at the price to be determined under the next transaction or series of directly related transactions in the course of which the Corporation issues and sells common shares or units for aggregate net proceeds of not less than $5,000,000, the whole in accordance with the terms and conditions set forth in an amending agreement with each of the Holders. As such, subsequenty to the debenture issuance of August 18, 2023 (refer to note 12.4), the debentures are convertible at a price of $0.25 per common share.

On December 19, 2024, convertible debentures having a nominal value of $250,000 were converted into common shares of the Company. At the date of conversion, these debentures had an amortized cost totalling $238,104. The Company issued 3,366,667 common shares to the debenture holders and recorded $238,104 in share capital.

On January 3, 2025, $50,000 of convertible debentures were converted into common shares of the Company. At the date of conversion, these debentures has an amortized cost totalling $48,804. The Company issued 500,000 common shares to the debenture holders and recorded $48,804 in share capital.

On January 31, 2025, convertible debentures with nominal value of $170,000 were expired. $30,000 out of the remaining value was repaid from the proceeds of the private placement closed on November 29, 2024 and a total of $90,000 was repaid during the year ended December 31, 2025, resulting in the remaining value of $50,000 as at March 31, 2026. The Company is in negotiations with the holders to arrange a repayment date. Interest expense has been accrued in accordance with the original terms of the convertible debentures for the three-month period ended March 31, 2026.

The movement during the three-month period ended March 31, 2026 and 2025, relating to those debentures, was as follows:

	2026 March 31	**2025** December 31
Balance at the beginning of the period	50,000	214,737
Maturity repayment	–	(120,000)
Balance at inception or beginning of the year	50,000	94,737
Conversion of debentures	–	(48,804)
Interest and accretion of debentures	–	3,601
Amortization of financing issuance costs	–	466
Balance at the end of the period	50,000	50,000

As at March 31, 2026, $2,469 of interest payable on debenture is recorded in accounts payable, advances and accrued liabilities (December 31, 2025 - $2,469).

12.3 Debenture issuance of August 1, 2023

On August 1, 2023, the Company issued 2,598 units of convertible debentures (including 2,000 units to Insiders) for gross contractual proceeds of $2,598,000 (net proceeds of $2,575,500 after related expenses). Each unit sold comprised of $1,000 face value debentures, maturing on August 1, 2026, bearing interest at a nominal rate of 10% payable monthly, plus 4,000 purchase warrants, for a total of 10,392,000 purchase warrants, exercisable into Company common shares at $0.50 per share for a period of 24 months from the date of issuance.

The debentures, at issuance, allowed their subscribers to convert them into common shares of the Company at any time prior to maturity, subject to certain terms and conditions, at $0.25 per common share.

The movement during the three-month period ended March 31, 2026 and 2025, relating to those debentures, was as follows:

	2026 March 31	**2025** December 31
Balance at the beginning of the period	2,316,619	2,001,270
Balance at inception or beginning of the year	2,316,619	2,001,270
Interest and accretion of debentures	90,883	309,383
Amortization of financing issuance costs	1,492	5,966
Balance at the end of the period	2,408,993	2,316,619

As at March 31, 2026, $291,193 of interest payable on debenture is recorded in accounts payable, advances and accrued liabilities (December 31, 2025 - $24,193).

12.4 Debenture issuance of August 18, 2023

On August 18, 2023, the Company issued 7,625 units of convertible debentures for gross contractual proceeds of $7,625,000 (net proceeds of $7,625,000 after related expenses). Each unit sold comprised of $1,000 face value debentures, maturing on August 18, 2026, bearing interest at a nominal rate of 10% payable monthly, for a total of 30,500,000 purchase warrants, exercisable into Company common shares at $0.50 per share for a period of 24 months from the date of issuance.

The debentures, at issuance, allowed their subscribers to convert them into common shares of the Company at any time prior to maturity, subject to certain terms and conditions, at $0.25 per common share.

(In Canadian dollars)

12 - DEBENTURES (CONTINUED)

During the beginning of the month of January 2024, convertible debentures having a nominal value of $5,000,000 were converted into common shares of the Company. At the date of conversion, these debentures had an amortized cost totalling $3,423,738. The Company issued 20,000,000 common shares to the debenture holders and recorded $3,860,618 in share capital which included the reclassification of the equity component of convertible debentures initally recorded at inception totalling $436,880.

During the month of January 2024, the holders of these above mentionned convertible debentures waived their right to receive the interest amounting $192,876 due to them by the Company up until the conversion dates that occurred between January 5 and 8, 2024. In addition, on December 31, 2025, the other holder waived the right to receive the interest amounting $315,323 due to them by the Company up until that day. In total, $508,199 of interests were relinquished and were recorded as a credit in finance costs with an equivalent amount that was reversed by the Company from accounts payable, advances and accrued liabilities as at December 31, 2025.

During the first quarter of 2025, convertible debentures having a nominal value of $2,250,000 were converted into common shares of the Company. At the date of conversion, these debentures had an amortized cost totalling $1,757,257. The Company issued 9,000,000 common shares to the debenture holders and recorded $1,953,853 in share capital which included the reclassification of the equity component of convertible debentures initally recorded at inception totalling $196,596.

The movement during the three-month period ended March 31, 2026 and 2025, relating to those debentures, was as follows:

	2026 March 31	**2025** December 31
Balance at the beginning of the period	336,410	2,039,815
Balance at inception or beginning of the year	336,410	2,039,815
Conversion of debentures	–	(1,757,257)
Interest and accretion of debentures	13,222	53,852
Balance at the end of the period	349,632	336,410

As at March 31, 2026, $16,927 of interest payable on debentures is recorded in accounts payable, advances and accrued liabilities (December 31, 2025 - $15,677).

12.5 Debenture issuance of September 8, 2023

On September 8, 2023, the Company issued 710 units of convertible debentures to Insiders for gross contractual proceeds of $710,000 (net proceeds of $710,000 after related expenses). Each unit sold comprised of $1,000 face value debentures, maturing on September8, 2026, bearing interest at a nominal rate of 10% payable monthly, for a total of 2,840,000 purchase warrants, exercisable into Company common shares at $0.50 per share for a period of 24 months from the date of issuance.

The debentures, at issuance, allowed their subscribers to convert them into common shares of the Company at any time prior to maturity, subject to certain terms and conditions, at $0.25 per common share.

The movement during the three-month period ended March 31, 2026 and 2025, relating to those debentures, was as follows:

	2026 March 31	**2025** December 31
Balance at the beginning of the period	627,426	544,405
Balance at inception or beginning of the year	627,426	544,405
Interest and accretion of debentures	24,388	83,021
Balance at the end of the period	651,813	627,426

As at March 31, 2026, $180,076 of interest payable on debentures is recorded in accounts payable, advances and accrued liabilities (December 31, 2025 - $162,410).

12.6 Debenture issuance of February 2, 2024

On February 2, 2024, the Company issued 1,610 units of convertible debentures for gross contractual proceeds of $1,610,000 (net proceeds of $1,373,335 after related expenses). Each unit sold comprised of $1,000 face value debentures, maturing on February 2, 2027, bearing interest at a nominal rate of 10% payable monthly, plus 6,666 purchase warrants, for a total of 10,732,260 purchase warrants, exercisable into Company common shares at $0.25 per share for a period of 24 months from the date of issuance.

Out of the total funds raised from the convertible debenture units issued on February 2nd, 2024, $150,000 worth of units were used to repay the secured corporate bonds (note 13). In addition, $1,110,000 worth of units were used to repay some of the short term loan holders (note 15).

The debentures, at issuance, allowed their subscribers to convert them into common shares of the Company at any time prior to maturity, subject to certain terms and conditions, at $0.15 per common share.

The units contain a “forced warrant conversion” feature under which the debenture will automatically be surrendered and converted into common shares of the Company should the shares of the Company trade at $2.50 or more for three consecutive trading days.

(In Canadian dollars)

12 - DEBENTURES (CONTINUED)

Tenet also granted 112.7 non-transferable broker warrants (the "CD Broker Warrants"), being such number of CD Broker Warrants as is equal to 7.0% of the number of CD Units sold pursuant to the offerings (1,610 units). Each CD Broker Warrant is exercisable to purchase one CD Unit at an exercise price of $1,000 for a period of two years from the date of its issuance.

The Company used the residual value method to allocate the principal amount of the debentures between the liability, the equity component of the debentures and the warrants. Under this method, an amount of $102,505 and $497,123 related to the conversion feature and the warrants issued were recorded in condensed interim consolidated statements of changes in equity as at the date of issuance. The fair value of the liability component of $823,488 was computed as the present value of future principal and interest, discounted at a rate of 32%, net of the prorated share of transaction costs.

On October 24, 2024, convertible debentures having a nominal value of $125,000 were converted into common shares of the Company. At the date of conversion, these debentures had an amortized cost totalling $73,843. The Company issued 833,333 common shares to the debenture holders and recorded $81,802 in share capital which included the reclassification of the equity component of convertible debentures initially recorded at inception totalling $7,959.

On November 4, 2024, convertible debentures having a nominal value of $100,000 were converted into common shares of the Company. At the date of conversion, these debentures had an amortized cost totalling $60,158. The Company issued 666,667 common shares to the debenture holders and recorded $66,525 in share capital which included the reclassification of the equity component of convertible debentures initally recorded at inception totalling $6,367.

During the first quarter of 2025, convertible debentures having a nominal value of $375,000 were converted into common shares of the Company. At the date of conversion, these debentures had an amortized cost totalling $236,765. The Company issued 2,500,000 common shares to the debenture holders and recorded $260,640 in share capital which included the reclassification of the equity component of convertible debentures initally recorded at inception totalling $23,875.

The movement during the three-month period ended March 31, 2026 and 2025, relating to those debentures, was as follows:

	2026 March 31	**2025** December 31
Balance at the beginning of the period	781,728	863,944
Balance at inception or beginning of the year	781,728	863,944
Conversion of debentures	–	(236,765)
Interest and accretion of debentures	33,391	114,663
Amortization of financing issuance costs	9,770	39,886
Balance at the end of the period	824,889	781,728

As at March 31, 2026, $58,127 of interest payable on debenture is recorded in accounts payable, advances and accrued liabilities (December 31, 2025 - $58,127).

The fair value of the 112.7 non-transferable broker unit warrants was calculated at $61,129 and was recorded as issuance costs prorated between the equity and liability components of the convertible debentures. The equivalent opposite amount was recorded in contributed surplus within the condensed interim consolidated statements of changes in equity. The fair value was calculated using the Black & Scholes option pricing model with the following assumptions:

Share price at the date of grant	$0.125
Expected life	2 years
Risk-free interest rate	4.06%
Expected volatility	132.67%
Dividend	0%
Exercise price at the date of grant (1)	$0.15 and $0.25

(1) Although the exerice price of the non-transferable broker unit warrants are at a nominal value of $1,000, the fair market value of the broker unit warrants was determined based on the underlying embedded conversion options and warrants of the convertible debentures units having a conversion/exercise price of $0.15 and $0.25 respectively. The fair market value of the liability component of the broker unit warrants was deemed as $Nil because the 10% nominal interest rate of the debentures (exlusively without the conversion options and warrants) is below fair market value.

The volatility was determined by using the Company's own historical volatility over a period corresponding to expected life of the conversion options and warrants.

Between February 21 and 26, 2024, the Company issued a combined 1,000 units of convertible debentures for gross contractual proceeds of $1,000,000 (net proceeds of $924,400 after related expenses). Each unit sold comprised of $1,000 face value debentures, maturing between February 21 and 26, 2027, bearing interest at a nominal rate of 10% payable monthly, plus 6,666 purchase warrants, for a total of 6,666,000 purchase warrants, exercisable into Company common shares at $0.25 per share for a period of 24 months from the date of issuance.

Out of the total funds raised from the convertible debenture units issued, $345,000 worth of units were used to repay for consulting services rendered by an investor to the Company between October 1, 2023 and January 31, 2024.

The debentures, at issuance, allowed their subscribers to convert them into common shares of the Company at any time prior to maturity, subject to certain terms and conditions, at $0.15 per common share.

(In Canadian dollars)

12 - DEBENTURES (CONTINUED)

12.7 Debenture issuance between February 21 and 26, 2024

The units contain a “forced warrant conversion” feature under which the debenture will automatically be surrendered and converted into common shares of the Company should the shares of the Company trade at $2.50 or more for three consecutive trading days.

Tenet also granted 70 non-transferable broker warrants (the "CD Broker Warrants"), being such number of CD Broker Warrants as is equal to 7.0% of the number of CD Units sold pursuant to the offerings (1,000 units). Each CD Broker Warrant is exercisable to purchase one CD Unit at an exercise price of $1,000 for a period of two years from the date of its issuance.

The Company used the residual value method to allocate the principal amount of the debentures between the liability, the equity component of the debentures and the warrants. Under this method, an amount of $63,329 and $301,143 related to the conversion feature and the warrants issued were recorded in condensed interim consolidated statements of changes in equity. The fair value of the liability component of $568,768 was computed as the present value of future principal and interest, discounted at a rate of 32%, net of the prorated share of transaction costs.

On June 27, 2024, convertible debentures having a nominal value of $505,000 were converted into common shares of the Company. At the date of conversion, these debentures had an amortized cost totalling $300,408. The Company issued 3,366,667 common shares to the debenture holders and recorded $332,389 in share capital which included the reclassification of the equity component of convertible debentures initally recorded at inception totalling $31,981.

In addition, during the month of December 2024, the holders of these above mentionned convertible debentures waived their right to receive the interest due to them by the Company up until the conversion dates that occurred on June 27, 2024. In total, $17,774 of interests were relinquished and were recorded as a credit in finance costs with an equivalent amount that was reversed by the Company from accounts payable, advances and accrued liabilities as at December 31, 2024.

The movement during the three-month period ended March 31, 2026 and 2025, relating to those debentures, was as follows:

	2026 March 31	**2025** December 31
Balance at the beginning of the period	393,836	326,979
Balance at inception or beginning of the year	393,836	326,979
Interest and accretion of debentures	16,556	55,841
Amortization of financing issuance costs	2,754	11,016
Balance at the end of the period	413,146	393,836

As at March 31, 2026, $21,656 of interest payable on debenture is recorded in accounts payable, advances and accrued liabilities (December 31, 2025 - $21,656).

The fair value of the 70 non-transferable broker unit warrants was calculated at $35,047 and was recorded as issuance costs prorated between the equity and liability components of the convertible debentures. The equivalent opposite amount was recorded in contributed surplus within the condensed interim consolidated statements of changes in equity. The fair value was calculated using the Black & Scholes option pricing model with the following assumptions:

Share price at the date of grant (February 21 and 26, 2024)	$0.13 & $0.12
Expected life	2 years
Risk-free interest rate	4.23%
Expected volatility	129.45%
Dividend	0%
Exercise price at the date of grant (1)	$0.15 and $0.25

(1) Although the exerice price of the non-transferable broker unit warrants are at a nominal value of $1,000, the fair market value of the broker unit warrants was determined based on the underlying embedded conversion options and warrants of the convertible debentures units having a conversion/exercise price of $0.15 and $0.25 respectively. The fair market value of the liability component of the broker unit warrants was deemed as $Nil because the 10% nominal interest rate of the debentures (exlusively without the conversion options and warrants) is below fair market value.

The volatility was determined by using the Company's own historical volatility over a period corresponding to expected life of the conversion options and warrants.

12.8 Debenture issuance of April 16, 2024

On April 16, 2024, the Company issued 2,015 units of convertible debentures for gross contractual proceeds of $2,015,000 (net proceeds of $1,897,700 after related expenses). Each unit sold comprised of $1,000 face value debentures, maturing on April 16, 2027, bearing interest at a nominal rate of 10% payable monthly, plus 6,666 purchase warrants, for a total of 12,165,640 purchase warrants, exercisable into Company common shares at $0.25 per share for a period of 24 months from the date of issuance. The financing includes 475 convertible debenture units sold to an Officer and Director of the Company with the same terms as the other subscribers except that each CD Unit sold to the officer of Tenet comes with only 4,000 Common Share purchase warrants (the "Insider Warrants") exercisable to acquire one Common Share at an exercise price of $0.50 instead of $0.25. In addition, the conversion price of the convertible debentures is at $0.25 instead of $0.15.

Out of the total funds raised from the convertible debenture units issued on April 16, 2024, $20,000 worth of units were used to repay a bond holder balance (refer to note 13). In addition, $475,000 worth of units were used to repay advances previously received from a company owned by an Officer and Director of the Company (refer to note 10).

(In Canadian dollars)

12 - DEBENTURES (CONTINUED)

The debentures, at issuance, allowed their subscribers to convert them into common shares of the Company at any time prior to maturity, subject to certain terms and conditions, at $0.15 per common share.

The units contain a "forced warrant conversion" feature under which the debenture will automatically be surrendered and converted into common shares of the Company should the shares of the Company trade at $2.50 or more for three consecutive trading days.

Tenet also granted 117.3 non-transferable broker warrants (the "CD Broker Warrants"), being such number of CD Broker Warrants as is equal to 7.0% of the number of CD Units sold pursuant to the offerings (at the exception for the CD units sold to insiders which were subject to a reduced commission of 2%). Each CD Broker Warrant is exercisable to purchase one CD Unit at an exercise price of $1,000 for a period of two years from the date of its issuance.

The Company used the residual value method to allocate the principal amount of the debentures between the liability, the equity component of the debentures and the warrants. Under this method, an amount of $161,743 and $598,239 related to the conversion feature and the warrants issued were recorded in condensed interim consolidated statements of changes in equity as at the date of issuance. The fair value of the liability component of $1,255,018 was computed as the present value of future principal and interest, discounted at a rate of 32%, net of the prorated share of transaction costs.

On August 19, 2024, convertible debentures having a nominal value of $425,000 were converted into common shares of the Company. At the date of conversion, these debentures had an amortized cost totalling $251,193. The Company issued 2,833,333 common shares to the debenture holders and recorded $280,594 in share capital which included the reclassification of the equity component of convertible debentures initally recorded at inception totalling $29,401.

On October 15, 2024, convertible debentures having a nominal value of $780,000 were converted into common shares of the Company. At the date of conversion, these debentures had an amortized cost totalling $474,897. The Company issued 5,200,000 common shares to the debenture holders and recorded $528,858 in share capital which included the reclassification of the equity component of convertible debentures initally recorded at inception totalling $53,961.

In addition, during the month of December 2024, the holders of these above mentionned convertible debentures waived their right to receive the interest due to them by the Company up until the conversion dates that occurred on August 19, 2024 and October 15, 2024 respectively. In total, $53,392 of interests were relinquished and were recorded as a credit in finance costs (note 20.4) with an equivalent amount that was reversed by the Company from accounts payable, advances and accrued liabilities (refer to note 10) as at December 31, 2025.

The movement during the three-month period ended March 31, 2026 and 2025, relating to those debentures, was as follows:

	2026 March 31	**2025** December 31
Balance at the beginning of the period	632,405	535,325
Balance at inception or beginning of the year	632,405	535,325
Interest and accretion of debentures	26,063	87,910
Amortization of financing issuance costs	2,293	9,170
Balance at the end of the period	660,761	632,405

As at March 31, 2026, $104,801 of interest payable on debenture is recorded in accounts payable, advances and accrued liabilities (December 31, 2025 - $92,926).

The fair value of the 117.3 non-transferable broker unit warrants was calculated at $39,768 and was recorded as issuance costs prorated between the equity and liability components of the convertible debentures. The equivalent opposite amount was recorded in contributed surplus within the condensed interim consolidated statements of changes in equity. The fair value was calculated using the Black & Scholes option pricing model with the following assumptions:

Share price at the date of grant	$0.09
Expected life	2 years
Risk-free interest rate	4.21%
Expected volatility	129.74%
Dividend	0%
Exercise price at the date of grant (1)	$0.15 and $0.25

(1) Although the exerice price of the non-transferable broker unit warrants are at a nominal value of $1,000, the fair market value of the broker unit warrants was determined based on the underlying embedded conversion options and warrants of the convertible debentures units having a conversion/exercise price of $0.15 and $0.25 respectively. The fair market value of the liability component of the broker unit warrants was deemed as $Nil because the 10% nominal interest rate of the debentures (exlusively without the conversion options and warrants) is below fair market value.

The volatility was determined by using the Company's own historical volatility over a period corresponding to expected life of the conversion options and warrants.

(In Canadian dollars)

13 - BONDS

On May 29, 2020, the Company issued 400 units of secured corporate bonds at $1,000 per unit. Each unit sold was comprised of a $1,000 face value bond, redeemable on June 10, 2023, bearing interest at a nominal rate of 10% payable monthly, plus 20 purchase warrants exercisable into Company common share at $2.00 per share for a period of 36 months from the date of issuance.

The Bonds are redeemable after 36 months from the date of issuance (the "Initial Maturity Date"). Each holder has a right (the "Initial Extension Right") at the end of the Initial Maturity Date to extend the Bond for another 12 months (the "Initial Extension Period") by giving written notice to that effect to the Company no later than sixty (60) days prior to the Initial Maturity Date. Any holder that has elected to exercise its Initial Extension Right will also have a further right at the end of the Initial Extension Period to extend its Bond for another 12 months (the "Second Extension Period") under the same notice conditions as stated in the Initial Extension.

If a holder elects to extend its Bonds, the Company may redeem such holder's Bonds at any time on payment of a 5% premium to redeem the Bonds

Bonds are secured by a pledge on the aggregate assets of the Company, maturing on May 29, 2023. The Company used the residual value method to allocate the principal amount of the bond between the liability and the contributed surplus. Under this method, an amount of $64,896 (net of transaction costs) related to the warrants issued was applied to the contributed surplus as at the date of issuance. The fair value of the liability component was $227,569 computed as the present value of future principal and interest payments discounted at a rate of 22%.

As the bonds have expired, the Company is in the process of negotiating an extension with the bondholders. While the Company expects to be able to extend the maturity date of these bonds, there can be no assurances that it will be able to do so. Following discussions with bondholders during the last quarter of the year 2025, the Company successfully negotiated a monthly repayment schedule with certain bondholders to ensure full repayment by the end of 2025. The Company was not in a position to fully repay the bond in accordance with the scheduled repayment terms and therefore obtained an extension from the bondholders during the first quarter of 2026 period to settle the outstanding balance in full. Interest expense has been accrued in accordance with the original terms of the bonds for the three-month period ended March 31, 2026.

The movement during the three-month period ended March 31, 2026 and 2025, relating to these bonds, were as follows:

	2026 March 31	**2025** December 31
Balance at the beginning of the period	172,500	230,000
Adjustment	–	100,000
Payment	–	(157,500)
Balance at the end of the period	172,500	172,500

14 - CEBA LOAN (Canada Emergency Business Account)

On April 20, 2020, the Company applied for and received $40,000 under the Canada Emergency Business Account (CEBA). Further, on September 1, 2021, through its acquisition of Cubeler, the Company acquired an additional CEBA loan totaling $60,000. Under this program providing interest-free loans, repaying the balance of the loan on or before January 18, 2024, will result in loan forgiveness of approximately 30% ($30,000), which was the intention of the Company. Subsequent to year-end 2021, the Government of Canada announced that the deadline to repay loans under the Canada Emergency Business Account program would be extended by one year (that is from December 31, 2022 to December 31, 2023). As at January 1, 2024, the loan balance bear interest at 5% and will be repayable on maturity on December 31, 2026. On January 17, 2024, the company repaid $66,800 of it's CEBA loan which resulted in a loan forgiveness of $20,000. The balance outstanding of the CEBA loan as at March 31, 2026 was $13,200.

15 - SHORT TERM LOAN

The balance outstanding of the short term loan as at March 31, 2026 was $300,000 (December 31, 2025 - $300,000).

16 - LOAN PAYABLE

During the second quarter of 2025, the Company renegotiated a new D&O policy along with a new loan agreement with a new provider at an effective annual interest rate of 9.37% payable in ten instalments and maturing in April 25, 2026. As of March 31, 2026 the loan for the D&O financing was fully repaid and the balance was $Nil (December 31, 2025 - $71,938). The Company expects to renew its D&O insurance coverage for an additional twelve-month period beginning April 26, 2026, and to obtain financing on the same terms.

17 - SHAREHOLDERS' EQUITY

17.1 Authorized share capital

The share capital of the Company consists of an unlimited authorized number of common shares without par value.

17.2 Description of the shareholders' equity operations during the current year

During the three-month period ended March 31, 2026, there were no shareholders' equity transactions.

17.3 Description of the shareholders' equity operations during the prior year

a) During the three-month period ended March 31, 2025, the Company issued a total of 2,090,968 shares as payment to consultants and services providers for a total of $149,300 worth of debt.

(In Canadian dollars)

17 - SHAREHOLDERS' EQUITY (CONTINUED)

b) During the three-month period ended March 31, 2025 and as mentioned in note 12.2, 12.4 and 12.6, convertible debentures having a nominal value of $2,675,000 and an amortized costs of $2,042,826 were converted into 12,000,000 common shares. The Company recorded a total of $2,263,297 in share capital which represents the amortized cost of the debentures and the fair value of the related conversion option initially recorded at inception totalling $220,471.

c) On March 13, 2025, the Company announced to issue 72,983,340 units of shares and warrants for gross contractual proceeds of $3,649,167 (net proceeds of $3,381,667 after related expenses). Each unit sold comprised of one common share and one common share purchase warrant exercisable into Company common shares at $0.15 per share for a period of 24 months from the date of issuance. Consequently, $1,277,464 and $2,371,703 were credited to contributed surplus and capital stock respectively. The fair value of the 1,600,000 finder's warrants was calculated at $34,472 and recorded as issuance of broker compensation warrants in the condensed interim condensed interim consolidated statements of changes in equity as at the date of issuance. Out of the total funds raised from the shares and warrants units issued on March 13, 2025, $1,238,500 worth of units were repaid to a short term loan (refer to note 15), and $250,426 worth of units were repaid to a credit facility.

17.4 Warrants

The outstanding warrants movement as at March 31, 2026 and December 31, 2025 and the respective changes during the year, are summarized as follows:

	March 31, 2026		December 31, 2025	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Outstanding, beginning of the period	167,552,240	0.19	144,459,996	0.35
Granted	–	–	74,887,340	0.15
Expired	(17,398,260)	0.25	(51,795,096)	0.73
Outstanding and exercisable, end of the period	150,153,980	0.18	167,552,240	0.19

As at March 31, 2026, and December 31, 2025, the number of outstanding warrants which could be exercised for an equivalent number of common shares.

	March 31, 2026		December 31, 2025	
	Number	Exercise price	Number	Exercise price
February, 2026	–	–	10,732,260	0.25
February, 2026	–	–	4,966,170	0.25
February, 2026	–	–	1,699,830	0.25
April, 2026	10,265,640	0.25	10,265,640	0.25
April, 2026	1,900,000	0.50	1,900,000	0.50
September, 2027	38,075,000	0.20	38,075,000	0.20
September, 2027	2,054,000	0.20	2,054,000	0.20
October, 2027	1,000,000	0.20	1,000,000	0.20
November, 2027	8,650,000	0.20	8,650,000	0.20
November, 2027	280,000	0.20	280,000	0.20
November, 2027	11,010,000	0.20	11,010,000	0.20
November, 2027	364,000	0.20	364,000	0.20
December, 2027	1,900,000	0.20	1,900,000	0.20
December, 2027	72,000	0.20	72,000	0.20
March, 2027	72,983,340	0.15	72,983,340	0.15
March, 2027	1,600,000	0.15	1,600,000	0.15
	150,153,980		167,552,240	

18 - SHARE-BASED PAYMENTS

The Company has adopted an incentive stock option plan which provides that the Board of Directors of the Company may, from time to time, at its discretion and in accordance with the Exchange regulations, grant to directors, officers, employees and others providing similar services to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares exercisable for a period of up to 5 years from the date of grant. The options reserved for issuance to any individual director, officer, or employee will not exceed 5% of the issued and outstanding common shares, and the number of common shares reserved for issuance to others providing services will not exceed 2% of the issued and outstanding common shares. Options may be exercised as of the grant date for a period determined by the Board but shall not be greater than five years from the grant date and 90 days following cessation of the option holder position with the Company. Provided that the cessation of office, directorships or employment or other similar service arrangement was by reason of death (in the case of an individual), the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option.

(In Canadian dollars)

18 - SHARE-BASED PAYMENTS (CONTINUED)

The outstanding options movement as at March 31, 2026 and December 31, 2025, are summarized as follows:

	March 31, 2026		December 31, 2025	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the period	823,791	4.33	2,706,440	2.26
Expired	(55,000)	5.50	(1,870,500)	1.33
Forfeited	–	–	(12,149)	4.38
Outstanding at the end of the period	768,791	4.25	823,791	4.33
Exercisable at the end of the period	768,791	4.25	823,791	4.33

The table below summarizes the information related to outstanding share options as at March 31, 2026.

Maturity date	Range of exercise price	Number of options	Weighted average remaining contractual life (years)
July 7, 2026	4.10	700,000	3 months
October 28, 2026	11.50	25,000	6 months
January 1, 2027	7.50	8,126	9 months
April 1, 2027	4.16	5,000	12 months
December 1, 2027	0.85	9,184	1 years and 8 months
February 1, 2028	0.95	21,481	1 years and 10 months
		768,791	

The table below summarizes the information related to outstanding share options as at December 31, 2025.

Maturity date	Range of exercise price	Number of options	Weighted average remaining contractual life (years)
March 22, 2026	5.50	55,000	2 months
July 7, 2026	4.10	700,000	6 months
October 28, 2026	11.50	25,000	9 months
January 1, 2027	7.50	8,126	12 months
April 1, 2027	4.16	5,000	1 years and 3 months
December 1, 2027	0.85	9,184	1 years and 11 months
February 1, 2028	0.95	21,481	2 years and 1 months
		823,791	

During the three-month period ended March 31, 2026, the Company recorded an $Nil related to share-based payments (December 31, 2025 - $258) to the condensed interim consolidated statements of comprehensive profit and loss and contributed surplus.

19 - CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company's capital management objectives are as follows:

- To ensure the Company's ability to continue its development;
- To provide an adequate return to shareholders.

The Company monitors capital based on the carrying amount of equity which represents $1,423,771 as at March 31, 2026 (December 31, 2025 - $356,182).

The Company manages its capital structure and makes adjustments to it to ensure it has sufficient liquidity and raises capital through stock markets to continue its development.

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

(In Canadian dollars)

20 - FINANCIAL INSTRUMENTS

20.1 Classification of financial instruments

As at March 31, 2026, the carrying amount of financial assets and financial liabilities were as follows:

			March 31, 2026
	Assets and liabilities carried at fair value	Assets and liabilities carried at amortized cost	Total carrying value
Financial assets			
Cash	–	2,308,123	2,308,123
Restricted Cash	–	3,539	3,539
Debtors	–	4,334,476	4,334,476
Loans receivable	–	19,027,060	19,027,060
Other equity investments	806,359	–	806,359
	806,359	25,673,198	26,479,557
Financial liabilities			
Accounts payable, advances and accrued liabilities	–	18,367,934	18,367,934
Bonds	–	172,500	172,500
CEBA Loan	–	13,200	13,200
Debentures	–	5,809,234	5,809,234
Short term loan	–	300,000	300,000
	–	24,662,868	24,662,868

As at December 31, 2025, the carrying amount of financial assets and financial liabilities were as follows:

			December 31, 2025
	Assets and liabilities carried at fair value	Assets and liabilities carried at amortized cost	Total carrying value
Financial assets			
Cash	–	1,341,666	1,341,666
Restricted Cash	–	3,432	3,432
Debtors	–	7,062,931	7,062,931
Loans receivable	–	17,975,759	17,975,759
Deposit	–	69,797	69,797
Other equity investments	980,000	–	980,000
	980,000	26,453,585	27,433,585
Financial liabilities			
Accounts payable, advances and accrued liabilities	–	21,099,609	21,099,609
Bonds	–	172,500	172,500
CEBA Loan	–	13,200	13,200
Debentures	–	5,588,424	5,588,424
Short term loan	–	300,000	300,000
Loan payable	–	71,938	71,938
	–	27,245,671	27,245,671

20.2 Financial risk management objectives and policies

The Company is exposed to various risks in relation to financial instruments. The main risks the Company is exposed to are credit risk, market risk and liquidity risk.

The Company does not actively engage in the trading of financial instruments for speculative purposes.

No changes were made in the objectives, policies and processes related to financial instrument risk management during the reporting years.

The most significant financial risks to which the Company is exposed are described below.

20 - FINANCIAL INSTRUMENTS (CONTINUED)

20.3 Financial risks

20.3.1 Credit & Liquidity risk

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failling to pay for its obligation. Credit risk for the Company is mostly on Loans receivable (refer to note 4 & 5). The credit risk is not significant for other financial instruments.

As at March 31, 2026, the Company continued to actively monitor the situation and assess any indicators of changes in recoverability for credit-impaired financial assets. Based on its evaluation, management determined that a migration for certain loans exposure was required during the period for product "Credit & Supply Chain Finance Credit" was required due to increased in credit risk based on the increased risk of default by the underlying borrowers, please refer to the Note 4 - LOANS RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES. As of March 31, 2026, the reflected impact of the increased in credit risk was recorded through expected credit losses of $107,350 in the condensed interim consolidated statement of comprehensive profit and loss.The staging migration of certain loans receivable, driven by the observed increase in credit risk, was the primary factor behind this adjustment.

The Company's exposure to credit risk arises primarily from trade receivables and contract assets recognized under IFRS 15. The Company applies the simplified approach under IFRS 9, recognizing lifetime expected credit losses (ECL) on trade receivables and contract assets at each reporting date and the general approach for loans receivable and applies the general approach for its loans receivable portfolio in ASFC entity. The Company maintains a general provisioning policy whereby balances outstanding for more than 180 days are considered indicators of no reasonable expectation of recovery. In addition, further indicators of credit impairment such as initiation of legal action, evidence of financial distress of counterparties, or significant delays in payment are considered in determining whether additional impairment is required.

The Company's impairment model incorporates:
-Provision Matrix: Aging of receivables (current, 30–90 days, 91–180 days, and >180 days overdue).
-Forward-Looking Information: Adjustments to historical default rates based on macroeconomic conditions, industry trends, and customer-specific risk factors.
-Qualitative Indicators: Legal letters issued, deterioration in counterparties' financial condition, and other observable events indicating heightened credit risk.
This methodology ensures that impairment provisions reflect both historical experience and forward-looking expectations, consistent with IFRS 9 requirements.

In the first quarter ended March 31, 2026, the Company continued to monitor macroeconomic conditions and any resulting impacts on the Company's credit risk. Specific to ASFC, the asset-backed loans are secured by collateral provided by borrowers at initial recognition, primarily in the form of second-hand vehicles (auto collateral is conservatively valued at 65% of fair market value) and residential properties (typically maintaining a value above the outstanding loan balance). Collateral values are derived from transactional data sourced from regulatory reporting systems in China. Credit enhancement structures for non-asset-backed loans remained unchanged. These loans are fully guaranteed by specific shareholders or other financial third parties, with no historical defaults or guarantor repayments recorded. Certain asset-backed loans, particularly those secured by residential properties, have not been assigned a loss allowance due to their over-collateralized nature and high recovery potential. Nonetheless, the Company applies a minimum 1% ECL to these exposures as a prudential measure. During the first quarter ended March 31, 2026 no significant changes were observed in the quality of that collateral or credit enhancements as a result of deterioration or changes in the collateral policies of the entity. Additionally, the Company continued to monitor evolving conditions and assess their impact on credit risk, including the emergence of new indicators of increased exposure or potential reversals of ECLs in future quarters.
The Company's determination to base collateral realization on 100% of the fair market value ("FMV") of the residential property despite the subordinate position of its mortgage is supported by a structured and conservative valuation and risk assessment framework.
Prior to loan approval, the Company's credit department conducts a comprehensive due diligence process, which includes:
•Obtaining and verifying the borrower's credit report and property title documents to identify all existing senior mortgages;
•Assessing the FMV of the property using major local real estate transaction platforms; and
•Validating the FMV through internal review by the Company's personnel.

Importantly, the loan-to-value ("LTV") ratio is not calculated on the full FMV of the property. Instead, it is determined solely on the residual value, defined as the FMV less the outstanding balances of all prior-ranking mortgages. The Issuer then limits loan amounts to only 25%–50% of this residual value. This approach creates a substantial safety buffer of 50%–75%, designed to absorb potential fluctuations in property values and realization costs.
As a result, even in a disposal scenario where senior lienholders are repaid first, the net proceeds available to the Company are highly likely to fully cover its credit exposure. Accordingly, the assumption of 100% FMV for collateral realization is conservative, as the lending decision is ultimately based on a deeply discounted, seniority-adjusted collateral value.

The ECL models explicitly integrate forward-looking macroeconomic data to reflect reasonable and supportable information that is available without undue cost or effort. Specifically, ASFC utilizes two key external indicators. Firstly, the general bankruptcy rate for SMEs in mainland China is monitored and incorporated as a primary driver to adjust the probability of default ("PD") and the baseline credit loss percentages applied to the SME loan portfolio. This ensures the loss rates dynamically respond to the prevailing economic stress within this key borrower segment. Secondly, as part of the Company's ECL model, the recoverability of loan exposures is influenced by the creditworthiness of the guarantor. Changes in guarantor's liquidity position or overall credit quality would materially affect the loss-given-default (LGD) percentage, which is a key input in the calculation of the ECL provision. At present, the guarantee continues to provide substantive credit enhancement.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk management serves to maintain a sufficient amount of cash and to ensure that the Company has financing sources for a sufficient amount. The Company's objective is to maintain a cash position sufficient to cover the next twelve-month obligations (note 2).

(In Canadian dollars)

20 - FINANCIAL INSTRUMENTS (CONTINUED)

The Company's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarized below:

			March 31, 2026
	Current		Long-term
	Within 6 months	6 to 12 months	More than 12 months
Accounts payable, advances and accrued liabilities	18,367,934	–	–
Bonds	172,500	–	–
CEBA loan	13,200	–	–
Debentures	4,183,000	1,505,000	810,000
Short term loan	300,000	–	–
	23,036,634	1,505,000	810,000

			December 31, 2025
	Current		Long-term
	Within 6 months	6 to 12 months	More than 12 months
Accounts payable, advances and accrued liabilities	21,099,609	–	–
Bonds	172,500	–	–
CEBA loan	13,200	–	–
Debentures	500,000	3,683,000	2,315,000
Short term loan	300,000	–	–
Loan payable	71,938	–	–
	22,157,247	3,683,000	2,315,000

20.4 Finance costs

The breakdown of finance costs during the three-month period ended March 31, 2026 and 2025 is as follows:

	2026 March 31	**2025** March 31
Interest on lease liabilities (note 11)	3,610	53,697
Interest on debentures and bonds	166,703	177,151
Interest on advances	–	51,625
Interest on credit facility	–	7,386
Interest on finance lease	(677)	(1,118)
Accretion on debentures and bonds	204,503	170,907
Interest, loan payable	832	7,605
Interest, short term loan	7,500	24,637
Total interest expense	382,471	491,890
Interest income	(458)	(1,538)
Miscellaneous	1,858	34,510
Total Finance costs	383,871	524,862

20.5 Fair value

The following methods and assumptions were used to determine the estimated fair value for each class of financial instruments:

- The fair value of cash, restricted cash, short and long term loans receivable, debtors (except sales tax receivable), deposits, other current assets, accounts payable, advances and accrued liabilities approximate their carrying amount, given the short-term maturity;
- The fair value of the debentures and the bonds is estimated using a discounted cash flow approach and approximate their carrying amount. CEBA loan, short term loan and loan payable are recognized at its cost which approximate its fair value;
- The fair value of equity investments is based on the underlying fair market value estimate of the assets & liabilities as at the date of reporting.
- The fair value of conversion options is determined using the Black & Scholes and Binomial pricing models.

The Company categorized its financial instruments based on the following three levels of inputs used for fair value measurements:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities;

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the assets and liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Equity investments, bonds, debentures, conversion option and contingent consideration payable are level 3 under the fair value hierarchy.

(In Canadian dollars)

20 - FINANCIAL INSTRUMENTS (CONTINUED)

Regarding the equity investments, in the absence of observable market data and based on the analysis of the unobservable inputs specific to AVC, particularly the immateriality of the attributable loss, the positive net asset value, the ongoing investment activities, the absence of impairment indicators, and management's assertion regarding the portfolio value, it is concluded that the carrying amount of $806,359 (i.e. RMB ¥3,989,899), determined under the cost method, represents a reasonable approximation of the fair value of the investment in AVC as of March 31, 2026. Therefore, no adjustment to the carrying amount is deemed necessary.

Fair value measurements are reviewed quarterly and approved by senior management. Sensitivity analysis is performed in accordance with an internal model based on scenarios analysis (i.e. a decrease or increase of 5% of the interest rate) at the measurement date and on a recurring basis, and accounts for any significant impact. The valuation methodology is consistent with prior periods and complies with IFRS 13 guidelines. Changes in assumptions or inputs are documented and assessed for material impact. Based on the sensitivity analysis, a 5% change in interest rates would result in an impact of approximately $12,920 in the three-month period ended on March 31, 2026 which is not considered significant.

21 - RELATED PARTY TRANSACTIONS

The Company's related party transactions do not include, unless otherwise stated, special terms and conditions. Outstanding balances are usually settled in cash.

Transactions with key management personnel, officers and directors

The Company's key management personnel are, the CEO, the CFO, the COO, the CEO of the China operations and the members of the Board in Canada and in China. Their remuneration includes the following expenses:

	2026 March 31	**2025** March 31
Salaries and fringe benefits	444,031	452,737
	444,031	452,737
Revenues (1)	112,132	–
	112,132	–

(1) During the three-month period ended March 31, 2026, revenue from a related-party customer amounted to $112,132 compared to $Nil for the same period in 2025 and was related to custom platform development services provided to Wuxi Dinghao Jiaye Information Technology Co., Ltd., an entity controlled by Mr. Liang Qiu, who is a Director and Officer of the Company.

These transactions occurred in the normal course of operations and have been measured at fair value.

As at March 31, 2026, and December 31, 2025 the consolidated statements of financial position includes the following amounts with related parties:

	2026 March 31	**2025** December 31
Advances received from a company owned by a Director, no interest (1)	1,279,891	1,217,740
Debentures , with interest (2)	2,888,423	2,777,513
Debentures, interest payable (3)	542,838	463,463
Trade accounts payable and accruals to Directors and key management personnel (4)	1,319,654	1,424,185
Total amount owed to related parties by the Company	6,030,807	5,882,901

(1) From time to time, the Company's subsidiaries in China require active funding to support their operations. If the Company was to send funds to these subsidiaries from Canada, the funds would have to either be received by the subsidiaries in the form of registered capital or loans, both of which would come with certain complexities. As foreign owned entities, the amount on capital the Company's Chinese subsidiaries are allowed to borrow from foreign companies, including from the Company, is limited, while increasing their registered capital would be a time-consuming process that would involve working with multiple government authorities. So, rather than sending urgently needed funds from the Head Office in Canada to the Chinese subsidiaries, the Company entered into a series of loan agreements with a Chinese based technology consulting company called Dinghao Jiaye Technology Inc. ("DJ Tech"), which is controlled by the CEO of the Company's Chinese Operations, Mr. Liang Qiu. During the course of 2023 to 2025, the previously mentioned Company owned by a Director of the Company, made a series of short-term loans to Asia Synergy Holding Inc. ("ASH"), a wholly owned subsidiary of the Company. Over the course of the three-month period ended March 31, 2026, DJ Tech provided $24,252 new loans to the Company's ASH subsidiary in China. The balance of the net advances received from a Company owned by a Director at no interest as at March 31, 2026 is $1,279,891 (December 31, 2025 - $1,217,740) and bears no interest given the fact that only licensed lenders are allowed to charge interest on loans granted to corporative borrowers as per the laws in mainland China. The advances received from a company owned by a Director is recorded in accounts payable, advances and accrued liabilities (note 10).

21 - RELATED PARTY TRANSACTIONS (CONTINUED)

(2) On August 1, 2023, the Company sold 2,598 units of convertible debentures (including 2,000 units to related parties at the time of the closing date) for gross proceeds of$2,598,000 (including $2,000,000 to related parties) as described in note 12.4. On September 8, 2023, the Company sold another 710 units of convertible debentures (including 700 units to related parties at the time of the closing date) for gross proceeds of $710,000 (including $700,000 to related parties) as described in note 12.5. On April 16, 2024, the Company sold 2,015 units of convertible debentures (including 475 units to related parties at the time of the closing date) for gross proceeds of $2,015,000 (including $475,000 to related parties) as described in note 12.8. The $475,000 worth of units were used to repay advances previously received from a company owned by an Officer and Director of the Company in order to partially repay the balance owed to him by the Company (refer to note 12). The amortized cost of the debentures due to related parties totalling $2,888,423 are recorded in Debentures (note 12).

(3) As at March 31, 2026, $542,838 (December 31, 2025 - $463,463) of debentures, interest payable due to related parties are recorded in accounts payable, advances and accrued liabilities (note 10).

(4) As at March 31, 2026, $1,319,654 (December 31, 2025 - $1,424,185) payable to Directors, Officers and key management personnel was recorded in accounts payable, advances and accrued liabilities in note 10 of the Company's condensed interim consolidated financial statements for the years ended March 31, 2026 and 2025. The majority of the payables relates to salary and benefits unpaid to Directors and Officers of the Company in China and Canada.

Mr. Kelong Chen and Mr. Changsheng Zhuo, both related parties of the Company, were involved in related party transactions with the Company for the three-month period ended March 31, 2026. Mr. Chen is a related party to the Company by virtue of the fact that he: is a director of the Company's ASFC subsidiary; holds shares in the Company's ASFC subsidiary on behalf of the Company through a nominee shareholder agreement; is a significant shareholder and a director of Jiudong Ltd, who is a 49% minority shareholder in the Company's ASFC subsidiary; and acts as a guarantor in connection with the ASFC's lending activities, as described under the section "Credit & supply chain finance credit guaranteed". Mr. Zhuo is a related party to the Company by virtue of the fact that he: is the CEO of the Company's ASFC subsidiary; is a director of the Company's ASFC subsidiary; holds shares in the Company's ASFC subsidiary on behalf of the Company through a nominee shareholder agreement; is a significant shareholder and a director of Jiudong Ltd, who is a 49% minority shareholder in the Company's ASFC subsidiary; and acts as a guarantor in connection with the ASFC's lending activities, as described under the section "Credit & supply chain finance credit guaranteed".

In March 2025, Mr. Chen and Mr. Zhuo collectively subscribed to $220,000 of the Company's private placement financing of common shares and warrants for total gross proceeds of $3,649,167. Their participation in the private placement represented a related party transaction, which the Company measured at fair value. As at March 31, 2026, an amount of $146,858 (December 31, 2025 - $136,545) was payable to each of them related to their roles as director (Mr. Chen), and director and officer (Mr. Zhuo) of ASFC. These amounts were recorded in accounts payable, advances and accrued liabilities in Note 10 of the Company's condensed interim consolidated financial statements for the three-month period ended March 31, 2026 and in the line "Trade accounts payable and accruals to Directors and key management personnel" included in the table above for related party disclosure.

Credit & supply chain finance credit guaranteed

As described in Note 4 – Loans Receivable and Allowance for Credit Losses, the Company provides credit & supply chain finance credit to SMEs in the technology and retail sector. These loans require a guarantee to mitigate credit risk in the event of default. 100% of these loans are guaranteed by an entity that is also a non-controlling shareholder of ASFC (the "Guarantor"). Accordingly, the guarantees provided in respect of the Company's loans receivable represent related party transactions for financial reporting purposes.

Mr. Chen holds a 35% equity interest in Jiudong and is a reporting insider of the Company. Mr. Chen serves as Chairman of the Board of Directors of ASFC but plays no role and has no involvement or decision making authority in the day to day management of ASFC. At Jiudong, he is a member of the Board of Directors and a shareholder, but he similarly does not take part in the management decisions or daily operations of Jiudong. Although Mr. Chen has significant ownership in Jiudong and board roles in both entities, his lack of operational involvement limits his direct influence over loan approvals or matters related to the guarantee arrangement. The approval mechanism led by the Company's Financial Controller, ensures that a substantial portion of the decision-making authority remains with the Company. Mr. Chen is also personally party to the guarantee agreement between ASFC and Jiudong. Although Mr. Chen has no direct implication in ASFC's lending decision making process, his involvement with both Jiudong and ASFC can give rise to potential conflicts of interests which may have adverse effects for the Company and its shareholders.

Mr. Zhuo holds a 15% equity interest in Jiudong and is a reporting insider of the Company. Mr. Zhuo serves as ASFC's CEO and oversees ASFC's daily operations. He is responsible for the communication and the execution of ASFC's strategic objectives throughout the organization. While Mr. Zhuo exerts influence over certain operational decisions (e.g., loan extensions, deferrals, or restructurings), where such decisions involve loans guaranteed by Jiudong, the decisions must also be approved by the ASFC Financial Controller to help mitigate potential conflicts of interest. Mr. Zhuo is also a member of the Board of Directors of Jiudong, is a minority shareholder of the company, and just like Mr. Chen, he is also personally party to the guarantee agreement between ASFC and Jiudong. Although Mr. Zhuo does not participate in Jiudong's management decisions or daily operations, his involvement with both Jiudong and ASFC can give rise to potential conflicts of interests which may have adverse effects for the Company and its shareholders.

Mr. Zhou holds a 10% equity interest in Jiudong and is a reporting insider of the Company. He has no role in ASFC's Board of Directors or management and does not participate in ASFC's operational activities. Mr. Zhou serves as both a member of the Board of Directors and the Chief Executive Officer of Jiudong, and he is responsible for the company's day-to-day operations and management decisions, including those related to the guarantee arrangement. Just like Mr. Chen and Mr. Zhuo, Mr. Zhou is personally party to the guarantee agreement between ASFC and Jiudong. Although Mr. Zhou has no involvement in ASFC, his leadership role at Jiudong may influence how Jiudong evaluates and administers guarantees provided to ASFC, which could give rise to potential conflicts of interests with adverse effects for the Company and its shareholders.

22 - SEGMENT REPORTING

The Company monitors the Group's activities through two reportable segments: Fintech Platform and Financial Services. Management determined these reportable segments by evaluating the nature of the Group's operations and applying the aggregation criteria set out in IFRS 8. The service provided within each of the two reportable segments share similar characteristics and are similar in each of the following respects:
(a) the nature of the products and services;
(b) the nature of the production processes;
(c) the type or class of customer;
(d) the methods used to distribute products or provide services; and
(e) the nature of the regulatory environment.

For presentation purposes, other activities are grouped in the Other category. All inter-segment transfers are carried out at arm's length prices based on prices charged to unrelated customers in stand-alone sales of identical goods and services.

The Company operates several technology platforms in China. Each platform is connected to the Cubeler platform. The Cubeler platform is the main engine behind all the other platforms. That's the platform where the credit criteria and credit rules from the Issuer's financial institution partners are stored, and where the transactional, financial and accounting data on the Issuer's SME clients is stored and analyzed to see if it matches the credit criteria of the partnering financial institutions. Each of the other platforms helps facilitate a specific type of B2B transaction. For example, the GoldRiver platform is a product procurement and purchase order platform for various supply chain related products. By using the GoldRiver platform, clients who qualify for credit from the Issuer's financial institution partners can have their orders placed on GoldRiver financed. Clients may also request logistics, warehousing or other services through GoldRiver. The Company earns fees for the services thus provided through Cubeler and the other platforms. The Cubeler platform is also used by the Issuer's lending subsidiary, ASFC, to qualify SMEs for loans.

The Company also has partnerships with third-party service providers to provide shipping, logistics and warehousing services related to the orders placed on GoldRiver. Clients can submit a list of products and materials and the platform matches their request with a list of product and material suppliers and products and materials to choose from. The GoldRiver platform also determines the clients' credit worthiness, through its link to the Cubeler platform, to determine if a particular order from a particular client qualifies for financing from one or more of the Company's financial institution partners. After placing an order, the client can either have the order shipped to its premises, distributed to one or more third-parties or warehoused for a period of time and shipped over time. The Company typically charges both clients and distributors a service representing a percentage of the value of the orders, but in some cases and depending on its agreement with the distributors, the Company may act as a reseller of the products and materials, in which case the Company would receive payment for the order from the financing financial institution, would be invoiced for the order by the supplier and would then send payment to the supplier. In addition to the fees directly related to the value of the order charged by the Company, the Company also charges service fees for the value-added services related to the order, such as shipping and warehousing, provided by the Company's third-party service providers. The Steelchain platform operates almost exactly as the GoldRiver platform except for the fact that Steelchain is a subset of GoldRiver specifically for the procurement of steel products and materials. The GoldRiver platform is owned and operated by the Company's subsidiary, Asia Synergy Technologies Ltd., and the Steelchain platform is owned and operated by the Company's subsidiary, Jiangsu Steel Chain Technology Ltd. The Company's Huike subsidiary exclusively provides information technology and consulting services to insurance brokers via a SaaS Platform Access and customer offline contract-based services.

The Company classifies all revenue generated through Cubeler and its other platforms as "Fintech Platform" revenue. Whereas all interest earned on loans made by ASFC and fees earned by ASCS for the credit monitoring services provided to financial institutions are classified as "Financial Services" revenue.

The operating segments are detailed as follows:

The Fintech Platform segment aggregates the Group's technology-based platforms that facilitate B2B procurement, supply-chain transactions, and data analysis activities. These platforms share a common technological infrastructure, similar service-based revenue models, similar customer groups (primarily SMEs and business partners), and similar economic characteristics over the long term. This segment operates in China in 2024 and 2025, and plans for a North American adapted version to eventually operate in Canada. Revenue in this segment is primarily generated by subsidiaries leveraging platforms such as GoldRiver, LinkSteel and Heartbeat in conjunction with the Cubeler data analysis platform, which combine to account most of the segment's revenue.

(In Canadian dollars)

22 - SEGMENT REPORTING (CONTINUED)

The Financial Services segment includes the Group's lending and credit-outsourcing activities. All services within this segment operate within a banking-related regulatory environment in China. These operations have distinct revenue models, risk profiles, customer classes, and regulatory environments compared with the Fintech Platform segment and therefore are presented separately.

Other

The "Other" category includes the activity and unallocated portion of the Canadian parent company's services and all non-operating holdings registered in Hong Kong and China.

Elimination

The "Elimination" category includes charges from Asia Synergy Data Solutions Ltd. ("ASDS"), the strategic research and development entity in mainland China, to other operating entities within the segment "Fintech Platform" under Asia Synergy Supply-chain Technologies Ltd. ("ASST"), Zhejiang Xinjiupin – Oil & Gas Management Co. ("AJP"), and Asia Synergy Technologies Ltd. ("AST") for partial R&D work performed on supply chain-related IT modules. These inter-company sales, recognized and invoiced by ASDS on a quarterly basis, were subsequently netted against a re-invoiced inter-company management fee within the Company's subsidiaries' scope as part of the consolidation elimination process.

The segment information for the three-month periods ended March 31, 2026, and 2025, are as follows:

					Three-month period ended March 31, 2026
	Fintech Platform	Financial Services	Other	Elimination	Total
Revenues					
Financial service revenue	–	583,375	–	–	583,375
Fees and sales	182,215	–	–	–	182,215
Supply chain services	10,759,369	–	–	–	10,759,369
Other rental income from a sublease	–	–	12,861	–	12,861
Total revenues	10,941,584	583,375	12,861	–	11,537,820
Expenses					
Depreciation and amortization	156,622	13,559	16,307	–	186,488
Finance costs	1,685	1,763	380,423	–	383,871
Expected credit loss	–	107,350	–	–	107,350
Cost of service, supply chain	9,909,832	–	–	–	9,909,832
Gain on legal settlement			(1,642,680)		(1,642,680)
All other expenses	353,685	53,237	1,435,351	–	1,842,273
Total expenses	10,421,824	175,909	189,401	–	10,787,134
Profit (loss) before tax	519,760	407,466	(176,540)	–	750,686
Income tax (recovery)	22,211	–	–	–	22,211
Net profit (loss)	497,549	407,466	(176,540)	–	728,475
Non-controlling interest	(59,624)	189,705	–	–	130,081
Net profit (loss) attributable to:					
Owners of the parent	557,173	217,761	(176,540)	–	598,394
Segmented assets	10,963,284	19,948,888	(1,905,293)	–	29,006,879

(In Canadian dollars)

22 - SEGMENT REPORTING (CONTINUED)

	Three-month period ended March 31, 2025				
	Fintech Platform	Financial Services	Other	Elimination	Total
Revenues					
Financial service revenue	–	58,517	–	–	58,517
Fees and sales	56,174	51,609	–	–	107,783
Other rental income from a sublease	–	–	12,861	–	12,861
Inter-segment	167,519	–	–	(167,519)	–
Total revenues	223,693	110,126	12,861	(167,519)	179,161
Expenses					
Depreciation and amortization	272,315	19,642	68,776	–	360,733
Finance costs	14,438	6,653	503,771	–	524,862
Expected credit loss	–	425,064	–	–	425,064
Change in fair value of debentures conversion options	(161,330)	–	161,330	–	–
All other expenses	821,289	176,641	1,771,403	(167,519)	2,601,814
Total expenses	946,712	628,000	2,505,280	(167,519)	3,912,473
Profit (loss) before tax	(723,019)	(517,874)	(2,492,419)	–	(3,733,312)
Net profit (loss)	(723,019)	(517,874)	(2,492,419)	–	(3,733,312)
Non-controlling interest	(78,623)	(42,166)	–	–	(120,788)
Net profit (loss) attributable to: owners of the parent	(644,396)	(475,708)	(2,492,419)	–	(3,612,524)
Segmented assets	10,700,629	19,043,506	7,932,994	–	37,677,130

The Company's non-current assets are located in the following geographic regions:

	2026 March 31 Non-current Assets	**2025** December 31 Non-current Assets
China	1,944,398	2,121,271
Canada	3,798	86,724
	1,948,196	2,207,995

23 - NON-CONTROLLING INTERESTS

The Company controls the following subsidiaries that have significant non-controlling interests.

Entities	**2026** March 31 % ownership and voting rights held by NCIs	**2025** December 31 % ownership and voting rights held by NCIs
Asia Synergy Supply Chain Ltd. ("ASSC")	49%	49%
Asia Synergy Financial Capital Ltd. ("ASFC")	49%	49%
Beijing Kailifeng New Energy Technology Co., Ltd. ("KALIFENG")	57.5%	57.5%
Shanghai Xinhuizhi Supply Chain Management Co., Ltd. ("ASAC")	49%	49%
Jiangsu Supairui IOT Technology Co., Ltd. ("ASTH")	20%	20%
Wuxi Suyetong Supply Chain Management Co., Ltd. ("SST")	20%	20%

	Total comprehensive profit and loss allocated to NCI		Accumulated NCI	
Entities	**2026** March 31	**2025** March 31	**2026** March 31	**2025** December 31
Asia Synergy Supply Chain Ltd. ("ASSC")	24,745	(7,144)	814,772	790,027
Asia Synergy Financial Capital Ltd. ("ASFC")	370,172	46,757	12,545,814	12,175,642
Wechain (Nanjing) Technology Service Co., Ltd. ("WECHAIN")	–	(27,308)	–	–
Kailifeng New Energy Technology Co., Ltd. ("KALIFENG")	(85,020)	(83,583)	646,533	731,553
Shanghai Xinhuizhi Supply Chain Management Ltd. ("ASAC")	532	1,093	2,577	2,045
Jiangsu Supairui IOT Technology Co., Ltd. ("ASTH") (1)	(12,216)	(9,448)	(121,850)	(109,634)
	298,213	(79,633)	13,887,846	13,589,633

(1) Wuxi Suyetong Supply Chain Management Co., Ltd. ("SST") is included with ASTH since the latest holds 100% of the shares of SST.

No dividends were paid to NCIs during the three-month period ended March 31, 2026 and 2025.

(In Canadian dollars)

23 - NON-CONTROLLING INTERESTS (CONTINUED)

Summarized financial information for subsidiaries with NCIs, before intragroup eliminations are as follows:

	ASSC		ASFC		Wechain		Kailifeng		ASAC		ASTH (1)		Total	
	2026 March 31	2025 December 31	2026 March 31	2025 December 31	2026 March 31	2025 December 31	2026 March 31	2025 December 31	2026 March 31	2025 December 31	2026 March 31	2025 December 31	2026 March 31	2025 December 31
Current assets	2,178,181	2,112,437	27,022,661	25,768,410	–	–	1,813,798	1,842,542	6,835	6,775	11,862	11,520	31,033,337	29,741,684
Non-current assets	–	–	281,080	164,750	–	–	184,572	239,458	305	296	(517)	(212)	465,440	404,292
	2,178,181	2,112,437	27,303,741	25,933,160	–	–	1,998,370	2,082,000	7,140	7,071	11,345	11,308	31,498,777	30,145,976
Current liabilities	308,073	299,075	140,826	109,806	–	–	282,243	273,537	–	–	117,949	114,389	849,091	796,807
Non-current liabilities	52,646	51,057	388,302	264,474	–	–	956,284	928,110	–	–	457,326	443,522	1,854,558	1,687,163
	360,719	350,132	529,128	374,280	–	–	1,238,527	1,201,647	–	–	575,275	557,911	2,703,649	2,483,970
Equity attributable to owners of the parent	842,156	822,273	13,057,888	12,672,607	–	–	477,872	540,713	2,682	2,128	(487,400)	(438,536)	13,893,198	13,599,185
Non-controlling interests	814,772	790,027	12,545,814	12,175,642	–	–	646,533	731,553	2,577	2,045	(121,850)	(109,634)	13,887,846	13,589,633

	ASSC		ASFC		Wechain		Kailifeng		ASAC		ASTH (1)		Total	
	2026 March 31	2025 March 31	2026 March 31	2025 March 31	2026 March 31	2025 March 31	2026 March 31	2025 March 31	2026 March 31	2025 March 31	2026 March 31	2025 March 31	2026 March 31	2025 March 31
Revenue	–	–	583,375	58,517	–	25,152	–	–	–	–	–	–	583,375	83,670
Profit for the year attributable to the owners of the parent	–	(28)	217,762	(43,887)	–	(10,019)	(44,068)	(50,800)	–	(5)	(13)	(945)	173,681	(105,684)
Profit for the year attributable to NCIs	–	(27)	189,705	(42,165)	–	(9,626)	(59,621)	(68,729)	–	(5)	(3)	(236)	130,081	(120,788)
Profit (loss) for the year	–	(56)	407,467	(86,052)	–	(19,645)	(103,688)	(119,528)	–	(10)	(16)	(1,181)	303,762	(226,472)
Other comprehensive income ("OCI") for the year														
OCI attributable to the owners of the parent	25,755	(7,408)	187,833	92,552	–	(18,404)	(18,773)	(15,460)	553	1,144	(48,852)	(36,845)	146,516	15,579
OCI attributable to NCIs	24,745	(7,118)	180,467	88,922	–	(17,683)	(25,399)	(14,854)	532	1,099	(12,213)	(9,211)	168,132	41,155
OCI for the year	50,500	(14,526)	368,300	181,474	–	(36,087)	(44,172)	(30,314)	1,085	2,243	(61,065)	(46,056)	314,648	56,734
Total comprehensive income for the year attributable to the owners of the parent	25,755	(7,436)	405,595	48,665	–	(28,423)	(62,841)	(66,260)	553	1,139	(48,865)	(37,790)	320,197	(90,105)
Total comprehensive income for the year attributable to NCIs	24,745	(7,144)	370,172	46,757	–	(27,308)	(85,020)	(83,583)	532	1,093	(12,216)	(9,448)	298,213	(79,633)
Total comprehensive profit and loss for the year	**50,500**	**(14,581)**	**775,767**	**95,422**	**–**	**(55,732)**	**(147,860)**	**(149,842)**	**1,085**	**2,233**	**(61,081)**	**(47,238)**	**618,410**	**(169,738)**
Net cash used in operating activities	(1,465,795)	(88,838)	(647,584)	(1,444,001)	–	30,995	(146,246)	(171,183)	(9)	(9,585)	582	(18,746)	(2,259,052)	(1,701,358)
Net cash used in investing activities	–	35	32,571	(58,624)	–	(7,548)	(4,168)	(47,468)	(58)	(1,872)	(305)	19,655	28,040	(95,822)
Net cash from financing activities	–	–	(20,597)	(53,203)	–	(19,015)	–	764,180	–	9,879	–	–	(20,597)	701,841
Foreign exchange differences	1,465,833	76,711	808,266	1,486,638	–	(23,699)	(16,821)	(610)	69	(152)	(275)	(950)	2,257,072	1,537,938
	38	**(12,092)**	**172,656**	**(69,190)**	**–**	**(19,267)**	**(167,235)**	**544,919**	**2**	**(1,730)**	**2**	**(41)**	**5,463**	**442,599**

(1) Wuxi Suyetong Supply Chain Management Co., Ltd. ("SST") is included with ASTH since the latest holds 100% of the shares of SST.

24 - CONTINGENCIES

Through the normal course of operations, the Company may be exposed to a number of lawsuits, claims and contingencies. Provisions are recognized as liabilities in instances when there are present obligations and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and where such liabilities can be reliably estimated. No provision has been recognized in these condensed interim consolidated financial statements. Although it is possible that liabilities may be incurred in instances where no provision has been made, the Company has no reason to believe that the ultimate resolution of such matters will have a material impact on its financial position.

25 - ECONOMIC DEPENDANCE

The Company generates approximately 93% of its revenues from one customer. Management has determined that the Company is exposed to a significant concentration of credit risk due to its reliance on one key customer. Should this customer substantially change its dealing with the Company, management is of the opinion that revenues and any financial assets would be significantly impacted and continued viable operations would be doubtful. As at March 31, 2026, no amounts were due from this customer, as the balance was fully collected before the end of the quarter.

The Company relies on three key suppliers to support its supply chain operations. These suppliers provide substantially all of the services or products required for the Company’s supply chain activities. As presented in the statement of profit and loss, 100% of the “cost of service” line item relates to transactions with these three suppliers for an amount of $9,909,832 (March 31, 2025 - $Nil).

This level of reliance on a limited number of suppliers exposes the Company to a significant concentration risk. Any disruption in the relationship with either supplier including changes in pricing, service availability, or contractual terms could have a material impact on the Company’s operations and financial performance.

26 - SUBSEQUENT EVENTS

26.1 Private placement

On June 9, 2026, the Company closed a non-brokered private placement financing. The private placement consisted of the issuance of 55,200,000 common shares at a price of $0.05 per share for aggregate gross proceeds of $2,760,000.