Tenet Fintech Group Inc.

Consolidated
Financial Statements
For the years ended
December 31, 2025, and 2024

Independent Auditor's Report

Raymond Chabot
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To the Shareholders of
Tenet Fintech Group Inc.

Opinion

We have audited the consolidated financial statements of Tenet Fintech Group Inc. (hereafter "the Company"), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of comprehensive profit and loss, the consolidated statements of changes in equity and the consolidated statements of cash flows for the years then ended, and notes to consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (hereafter "IFRS Accounting Standards").

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2 to the consolidated financial statements, which indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the "Material uncertainty related to going concern" section, we have determined that there are no other key audit matters to communicate in our report.

Information other than the consolidated financial statements and the auditor’s report thereon

Management is responsible for the other information. The other information comprises the information included in Management’s Discussion and Analysis, other than the consolidated financial statements and our auditor’s report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management’s Discussion and Analysis prior to the date of this auditor’s report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor’s report. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are, therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Nancy Wolfe.

Raymond Chabot Grant Thornton LLP[1]

Montréal
June 24, 2026

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[1] CPA auditor, public accountancy permit nº A120795

TENET FINTECH GROUP INC.

Consolidated Statements of Comprehensive Profit and Loss

For the years ended December 31, 2025, and 2024

(In Canadian dollars, except weighted average number of outstanding shares)

	Note	December 31 2025	2024
Revenues		10,930,645	2,843,770
Expenses			
Cost of service		8,330,792	89,111
Software delivery services		23,128	17,022
Salaries and fringe benefits		4,168,477	6,006,625
Service fees		45,725	328,386
Board remuneration		107,699	150,000
Consulting fees		789,156	3,050,289
Outsourced services, software and maintenance		340,081	2,126,545
Professional fees		1,536,832	1,535,246
Marketing, public relations and press releases		152,786	466,690
Office supplies, software and hardware		518,535	563,081
Lease expenses		360,179	493,019
Insurance		493,203	823,904
Finance costs	25.4	1,765,769	1,940,595
Expected credit loss	6-7	1,310,369	32,394,805
Travel and entertainment		94.030	89.297
Stock exchange and transfer agent costs		164,750	172,104
Translation cost and others		93,352	60,520
Depreciation of property and equipment	9	73,834	134,922
Depreciation of right-of-use assets	9	178,242	355,991
Amortization of intangible assets	12	601,714	6,984,993
Amortization of financing issuance costs	15	66,504	125,567
Impairment of intangible assets	12	–	6,926,632
Impairment on investment in associate company	10	–	266,085
Change in fair value of contingent consideration payable		–	(1,271,905)
Change in fair value of debentures conversion options		–	(80,080)
Gain on transactions on investments in subsidiaries	4.3	(467,671)	–
Forgiveness of CEBA loan	17	–	(20,000)
Loss on sublease	11	–	158,203
(Gain) Loss on disposition of property and equipment	9	253,645	(33,622)
Loss on foreign exchange		272,003	106,507
		21,273,134	63,960,532
Loss before income taxes		(10,342,489)	(61,116,762)
Income taxes		(1,236,999)	(1,854,940)
Net loss		(9,105,490)	(59,261,822)
Net loss attributable to :			
Non-controlling interest	28	400,413	(1,307,694)
Owners of the parent		(9,505,903)	(57,954,128)
		(9,105,490)	(59,261,822)
Item that will be reclassified subsequently to profit or loss			
Currency translation adjustment		24,652	823,906
Total comprehensive loss		(9,080,838)	(58,437,916)
Total comprehensive loss attributable to:			
Non-controlling interest	28	445,316	(1,262,511)
Owners of the parent		(9,526,154)	(57,175,405)
		(9,080,838)	(58,437,916)
Weighted average number of outstanding shares		310,256,090	170,774,126
Basic and diluted loss per share		(0.031)	(0.339)

Going concern uncertainty (note 2)
Subsequent events (note 31)

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

TENET FINTECH GROUP INC.

Consolidated Statements of Changes in Equity

Years ended December 31, 2025, and 2024

(In Canadian dollars)

		Capital stock									
	Note	Number of common shares	Amount	Equity to issue	Contributed surplus	Equity component of convertible debentures	Accumulated other comprehensive loss	Deficit	Total attributable to owners of parent	Non controlling interest (note 28)	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	21.2-21.4	75,074,308	2,521,003	–	1,277,464	–	–	–	3,798,467	–	3,798,467
Issuance costs - shares and warrants	21.2	–	(238,559)	–	(105,711)	–	–	–	(344,270)	–	(344,270)
Issuance of broker compensation warrants	21.2	–	–	–	55,970	–	–	–	55,970	–	55,970
Deferred tax - equity component of convertible debentures	15	–	–	–	109,102	58,425	–	–	167,527	–	167,527
Conversion of debentures	15-21.2	12,000,000	2,263,297	–	–	(220,471)	–	–	2,042,826	–	2,042,826
Share-based compensation	22	–	–	–	258	–	–	–	258	–	258
Transactions with owners		325,140,867	232,549,269	181,661	31,966,363	737,305	(828,085)	(268,313,810)	(3,707,297)	13,144,317	9,437,020
Net loss		–	–	–	–	–	–	(9,345,634)	(9,345,634)	240,144	(9,105,490)
Other comprehensive income (loss)		–	–	–	–	–	(180,520)	–	(180,520)	205,172	24,652
Total comprehensive loss for the year		–	–	–	–	–	(180,520)	(9,345,634)	(9,526,154)	445,316	(9,080,838)
Balance as at December 31, 2025		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

		Capital stock									
	Note	Number of common shares	Amount	Equity to issue	Contributed surplus	Equity component of convertible debentures	Accumulated other comprehensive loss	Deficit	Total attributable to owners of parent	Non controlling interest (note 28)	Shareholders' equity
Balance as at January 1, 2024		123,761,745	217,926,082	721,289	26,432,640	1,112,072	(1,606,808)	(210,359,682)	34,225,593	13,656,428	47,882,021
Issuance of shares and warrants	21.2-21.4	78,635,000	4,630,777	–	2,532,723	–	–	–	7,163,500	–	7,163,500
Issuance costs - shares and warrants	21.3	–	(481,849)	–	–	–	–	–	(481,849)	–	(481,849)
Issuance of broker compensation warrants	21.3	–	–	–	184,649	–	–	–	184,649	–	184,649
Equity component of convertible debentures	15	–	–	–	1,396,505	327,577	–	–	1,724,082	–	1,724,082
Issuance costs - equity component of convertible debentures	15	–	–	–	(171,640)	(37,077)	–	–	(208,717)	–	(208,717)
Deferred tax - equity component of convertible debentures	15	–	–	–	105,895	63,327	–	–	169,222	–	169,222
Issuance of non-transferable broker warrants	15	–	–	–	135,944	–	–	–	135,944	–	135,944
Conversion of debentures	15-21.3	35,400,000	5,388,890	–	–	(566,548)	–	–	4,822,342	–	4,822,342
Share-based compensation	22	–	–	–	12,564	–	–	–	12,564	–	12,564
Subscription for shares by non-controlling interests		–	–	–	–	–	–	–	–	750,400	750,400
Payment of contingent consideration		269,814	539,628	(539,628)	–	–	–	–	–	–	–
Transactions with owners		238,066,559	228,003,528	181,661	30,629,280	899,351	(1,606,808)	(210,359,682)	47,747,330	14,406,828	62,154,158
Net loss		–	–	–	–	–	–	(57,954,128)	(57,954,128)	(1,307,694)	(59,261,822)
Other comprehensive income (loss)		–	–	–	–	–	778,723	–	778,723	45,183	823,906
Total comprehensive loss for the year		–	–	–	–	–	778,723	(57,954,128)	(57,175,405)	(1,262,511)	(58,437,916)
Balance as at December 31, 2024		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

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

TENET FINTECH GROUP INC.

Consolidated Statements of Cash Flows

For the years ended December 31, 2025, and 2024

(In Canadian dollars)

	Note	December 31 2025	2024
OPERATING ACTIVITIES			
Net loss		(9,105,490)	(59,261,822)
Non-cash items			
Expected credit loss	6-7	1,310,369	32,394,805
Depreciation of property and equipment	9	73,834	134,922
Depreciation of right-of-use assets	9	178,242	355,991
Amortization of intangible assets	12	601,714	6,984,993
Amortization of financing issuance costs	15	66,504	125,567
Impairment of intangible assets	12	–	6,926,632
Impairment on investment in associate company	10	–	266,085
Accretion on debentures and bonds	15	708,271	967,731
Accretion of lease interest	14	157,113	264,794
Interest income on deposit		(4,063)	(5,138)
Change in fair value of contingent consideration payable		–	(1,271,905)
Change in fair value of debentures conversion options		–	(80,080)
Share-based compensation	22	258	12,564
Deferred tax assets and liabilities		167,527	(1,461,889)
Forgiveness of CEBA loan	17	–	(20,000)
Loss on sublease	11	–	158,203
(Gain) Loss on disposition of property and equipment	9	253,645	(33,622)
Gain on transactions on investments in subsidiaries	4.3	(467,671)	–
Loans receivable maturing in more than 12 months	6	(1,064,787)	(18,713)
Deposits made for transactions on platforms, long term	7	–	(11,111,332)
Net changes in working capital items			
Restricted cash		408	19,493
Income tax payable		(1,378,481)	(299,986)
Accounts receivable	7	(3,056,696)	(1,564,511)
Deposits made for transactions on platforms, short term	7	–	10,669,761
Finance lease receivable	11	34,729	8,516
Prepayments to third party subcontractors	7	(22,838)	(220,394)
Other debtors	7	112,675	404,527
Loans receivable maturing in less than 12 months	6	211,169	(1,679,575)
Assets held for sale		–	83,747
Other prepaid expenses		299,404	680,070
Trade accounts payable and accruals	13	1,533,723	9,686,843
Interest payable on debentures	13	413,544	(185,256)
Advances from third-party customers	13	1,148	6,173
Contract liabilities with third-party customers	13	448,543	144,967
Cash flows from operating activities		(8,527,206)	(6,917,839)
INVESTING ACTIVITIES			
Property and equipment - Disposals	9	46,493	35,088
Intangible assets - Disposals (additions)	12	9,985	(657,669)
Cash flows from investing activities		56,478	(622,581)
FINANCING ACTIVITIES			
Advances received from a company owned by a Director	13-26	500,780	235,890
Repayment of lease liabilities	14	(621,105)	(546,425)
Short term loan	18	350,000	1,838,500
Repayment of loan payable	19	(410,510)	(620,506)
Repayment of CEBA loan	17	–	(66,800)
Repayment of Bond	16	(157,500)	–
Repayment of credit facility	20	(45,000)	–
Repayment of debentures	15	(90,000)	–
Proceeds from credit facility	20	–	600,000
Proceeds from the issuance of shares and warrants	21	1,467,363	2,855,915
Re-allocation of capital from proceeds of previous financings	8	7,733,174	–
Proceeds from the issuance of convertible debentures and warrants	15	–	2,036,035
Cash flows from financing activities		8,727,202	6,332,609
IMPACT OF FOREIGN EXCHANGE		195,107	906,338
Net increase(decrease) in cash		451,581	(301,473)
Cash, beginning of the period		890,085	1,191,558
Cash, end of the year		1,341,666	890,085

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

TENET FINTECH GROUP INC.

Consolidated Statements of Financial Position

As at December 31, 2025 and December 31, 2024

(In Canadian dollars)

	Note	As at December 31, 2025	As at December 31, 2024
ASSETS			
Current			
Cash		1,341,666	890,085
Restricted cash		3,432	3,840
Loans receivable	6	17,975,759	18,186,928
Assets held for sale		127,376	128,091
Debtors	7	8,031,919	5,428,616
Finance lease receivable	11	42,640	34,729
Prepaid expenses		556,145	789,116
Other current assets	8	–	7,733,174
		28,078,937	33,194,579
Loans receivable	6	–	58,958
Finance lease receivable	11	15,095	57,735
Deposit		69,797	86,442
Property and equipment	9	27,337	2,219,578
Investments	10	980,000	985,500
Intangible assets	12	1,115,766	1,992,479
		30,286,932	38,595,271
LIABILITIES			
Current			
Accounts payable, advances and accrued liabilities	13	23,130,402	21,924,936
Lease liabilities	14	115,700	203,426
Bonds	16	172,500	230,000
CEBA Loan	17	13,200	13,200
Short term loans	18	300,000	1,188,500
Loan payable	19	71,938	470,654
Debentures	15	3,780,455	664,737
Current tax liabilities	23	505,583	1,884,064
		28,089,778	26,579,517
Debentures	15	1,807,969	6,311,738
Lease liabilities	14	33,003	1,692,348
Credit facility	20	–	295,426
		29,930,750	34,879,029
SHAREHOLDERS' EQUITY			
Capital stock	21	232,549,269	228,003,528
Equity to issue		181,661	181,661
Contributed surplus		31,966,363	30,629,280
Equity component of convertible debentures	15	737,305	899,351
Accumulated other comprehensive loss		(1,008,605)	(828,085)
Deficit		(277,659,444)	(268,313,810)
Shareholders' equity attributable to owners of the parent		(13,233,451)	(9,428,075)
Non-controlling interest	28	13,589,633	13,144,317
Total shareholders' equity		356,182	3,716,242
		30,286,932	38,595,271

Going concern uncertainty (note 2)
Subsequent events (note 31)

The accompanying notes are an integral part of these 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 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 is not presently sufficient to meet the Company's working capital requirements and business growth initiatives. The Company's ability to continue as a going concern depends upon its ability to raise additional financing. Even if the Company has been successful in the past in doing so, including a series of private placements during 2024 and in March 2025, 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 loss of $9,105,490 for the year ended December 31, 2025 (compared to a net loss of $59,261,822 for the year ended December 31, 2024), it has an accumulated deficit of $277,659,444 as at December 31, 2025 (accumulated deficit was $268,313,810 as at December 31, 2024) and it has not yet generated positive cash flows from operations on a regular basis. Until that happens, 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. For the year ended December 31, 2025, the Company secured $8,727,202 from financing activities (year ended December 31, 2024 - $6,332,609). This amount is primarily attributable to private placement from equity from investors, the re-allocation of capital from proceeds of previous financings and one short term loan. The Company expects to maintain a similar level of investor commitment over the next twelve months.

These 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 - CHANGES IN ACCOUNTING POLICIES

3.1 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company

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

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

– A clarification that a financial liability is derecognised on the settlement date and the introduction of an accounting policy choice to derecognise financial liabilities settled using an electronic payment system before the settlement date if specific conditions are met. If an entity elects to apply this accounting policy, it must do so for all settlements made through the same electronic payment system.

– Additional guidance on how an entity should assess whether contractual cash flows of a financial asset are consistent with a basic lending arrangement. This is intended to assist an entity to apply the requirements for assessing contractual cash flow characteristics to financial assets with features linked to environmental, social and governance (ESG) concerns.

– Clarifications on what constitute non-recourse features and what are the characteristics of contractually linked instruments.

– Additional disclosure requirements for investments in equity instruments designated at fair value through other comprehensive income (OCI) and the introduction of disclosure of the contractual terms that could change the timing or amount of contractual cash flows on the occurrence (or non-occurrence) of a contingent event that does not relate directly to changes in a basic lending risks and costs

The amendments are effective for annual reporting periods beginning on or after 1 January 2026 with earlier application permitted. If an entity elects to apply these amendments for an earlier period, it is required to either:

– apply all the amendments at the same time and disclose that fact; or
– apply only the amendments to the classification of financial assets for that earlier period and disclose that fact.

The amendments are required to be applied retrospectively, in accordance with IAS 8, with specific exceptions

The Company does not anticipate that the amendments will have a material effect on the Company's consolidated financial statements

3 - CHANGES IN ACCOUNTING POLICIES (CONTINUED)

3.1.2 Amendments to Presentation of Financial Statements (IFRS 18 replaces IAS 1)

At the date of authorization of these consolidated financial statements, new, but not yet effective, amendments to existing standards and interpretations have been published by the IASB. None of these standards or amendments to existing standards has been adopted early by the Company. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New standards, amendments and interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Company's consolidated financial statements, except for IFRS18.

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. Although IFRS 18 includes many of the requirements of IAS 1, it introduces new requirements to better structure financial statements and provides more detailed and useful information to investors, including:

- two new subtotals defined in the statement of profit or loss, namely (1) operating profit and (2) profit or loss before financing and income taxes;
- the classification of all income and expenses within the statement of profit or loss in one of five categories;
- a new requirement to disclose performance measures defined by management;
- an improvement in the principles related to the aggregation and disaggregation of information in the financial statements and accompanying notes.

The publication of IFRS 18 results also in consequential amendments to other IFRS standards, including IAS 7 Statement of Cash Flows. IFRS 18 is effective for annual periods beginning on or after 1 January 2027, with earlier application permitted. IFRS 18 will apply retrospectively with specific transitional provisions.
The Company is currently working to identify all impacts that the amendments will have on the primary financial statements and notes to the financial statements.

4 - SUMMARY OF MATERIAL ACCOUNTING POLICIES

4.1 Statement of compliance with IFRS

These consolidated financial statements have been prepared using accounting policies that are in accordance with International Financial Reporting Standards as issued by the International Accounting Standard Board (hereafter "IFRS Accounting Standards").

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, except for the newly adopted standards.

These consolidated financial statements for the years ended December 31, 2025, and 2024 were approved and authorized for the issue by the Board of Directors on June 24, 2026.

(In Canadian dollars)

4 - SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.2 Basis of measurement

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

4.3 Basis of Consolidation

These 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.
The following entities have been consolidated within these 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") **(1)**	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 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.

On April 1, 2025, the Company has incorporated a new wholly-owned subsidiary to conduct business in the U.S. ahead of the Company's planned expansion of the Business Hub to that market in the future quarter of 2025. The new entity, incorporated in the state of Delaware, will be conducting business under the name Cubeler Inc. (U.S.) and will have legal and operational rights related to the Business Hub in the United States.

Gain on transactions on investments in subsidiaries

On April 3, 2025, the Company signed an agreement regarding the share transfer of its subsidiary Wechain (Nanjing) Technology Service Co., Ltd. ("WECHAIN"). The Company agreed to transfer 12.59% of WECHAIN's shares to its non-controlling shareholder Nanjing Zhongke Ruanzhi Information Technology Co., Ltd. at $Nil consideration. The subsidiary completed all the filings and registrations of the transfer on April 14, 2025. After the transfer, the Company lost its controllership to WECHAIN, representing 38.41% of its shares. The transaction resulted in a gain of $370,439, which is presented within Gain on transactions on investments in subsidiaries in the consolidated statement of profit and loss for the year ended December 31, 2025.

On October 15, 2025, the Company completed the deregistration (to complete the legal dissolution of the entity) of its former subsidiary, ASCS, following a strategic decision to transfer all operating activities of ASCS to its parent company, ASDS. As a result of this transaction, the Company ceased to control ASCS as of that date, and the entity was removed from the consolidated financial statements in accordance with the applicable consolidation guidance. Upon deconsolidation, the Company derecognized the assets, liabilities, and non-controlling interests related to ASCS. The transaction resulted in a gain of $92,162, which is presented within Gain on transactions on investments in subsidiaries in the consolidated statement of profit and loss for the year ended December 31, 2025.

The total combined impact of the Wechain transaction, which resulted in a gain of $370,439, the $92,162 gain recognized on the deregistration of ASCS, and the $5,070 gain from the deregistration of ASB, resulted in a total Gain on transactions on investments in subsidiaries of $467,671, which has been recorded in the consolidated statement of profit and loss for the year ended December 31, 2025.

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.

4 - SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.4 Foreign currency translation

Functional and presentation currency

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

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the respective entity, using the exchange rates prevailing at the date of the transactions (spot exchange rate). Currency translation adjustment reflects the currency fluctuation between the functional currency of the Company's subsidiaries in Chinese (Renminbi) and the Company's functional currency (Canadian dollar) during the year. This element represents a theoretical profit or loss that can be materialized only if the underlying assets or liabilities to which the adjustment is attributed are realized. Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in a foreign currency at year-end exchange rates are recognized in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value, which are translated using the exchange rates at the date when fair value was determined.

4.5 Foreign operations

In the consolidated financial statements, all assets, liabilities and transactions of the entities with a functional currency other than Canadian dollars are translated into Canadian dollars upon consolidation. The functional currency of the entities has remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into Canadian dollars at the closing rate at the reporting date. Revenues and expenses have been translated into Canadian dollars at the average rate over the reporting period. Exchange differences are charged or credited to other comprehensive income and recognized in the currency translation reserve in equity. On disposal of a foreign operation, the related cumulative translation differences recognized in equity are reclassified to profit or loss and are recognized as part of the gain or loss on disposal.

4.6 Segment reporting

The Company presents and discloses segmental information based on information that is regularly reviewed by the chief operating decision maker who is responsible for allocating resources and assessing the performance of the operating segments. The chief operating decision maker has been identified as the senior management team, which makes strategic and operational decisions.

For management purposes, the Company uses the same measurement policies as those used in its financial statements.

In addition, corporate assets which are not directly attributable to the business activities of any operating segments are not allocated to a segment. This primarily applies to the Company’s headquarters.

4.7 Revenue recognition

Revenue arises mainly from providing supply chain management services to customers, the rendering of financial services, service fees, annual platform access fees and the delivery of IT and R&D related services. To determine whether to recognize revenue, the Company follows a five-step process:

- identifying the contract with a customer;
- identifying the performance obligations;
- determining the transaction price;
- allocating the transaction price to the performance obligations;
- recognizing revenue when performance of obligation is satisfied.

Revenue is recognized either at a point in time or over time when the Company satisfies performance obligations by transferring the promised goods or services to its customers.

Supply chain services

Supply chain services revenues relates to raw materials sold to supply chain participants through its GoldRiver procurement platform.

The revenues for the sales of raw materials are earned upon delivery of specific units in accordance with the customers individual purchase orders at a point in time when:

- The customer has obtained the significant risks and rewards of ownership (goods are at its location and accepted);
- The Company has transferred physical possession of the goods;
- The customer has accepted the assets (as evidenced by its stamp);
- The amount of consideration is fixed and determinable (per contract price and confirmed quantity);
- The Company has a present right to payment for that specific delivery (an account receivable is established).

The transaction price is the fixed amount of consideration in exchange for transferring the promised goods. This price is determined based on the unit prices stipulated in the sales contract, applied to the quantities confirmed as delivered and accepted by the customers.

Financial services

Financial services revenues include interest revenue earned from commercial loans to small and medium-sized businesses and entrepreneurs and fees earned for services rendered to financial institutions to manage loans made to their customers.

Interest revenue earned from commercial loans is recorded using the effective interest rate method.

4 - SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Information Technology (IT) applications and research & development (R&D) related services

The services are based on standard IT projects to be developed or R&D services to be rendered per the needs of each customer.

The services include:

- R&D work on specific IT solutions & services;
- Installation and set-up of specific IT solutions & services;
- Technical support to certain business processes;
- IT technical consulting & training.

The revenues for the delivery of IT applications and R&D related services are earned upon delivery or over time depending on when the Company satisfies the performance obligation as per the different business contracts.

Annual platform access fees

The Company provides customers with ongoing access to its technology platform and related support services under fixed-fee annual contracts. This arrangement constitutes one distinct performance obligation: a stand-ready obligation to provide continuous platform access and associated services throughout the contract term.

The performance obligation is satisfied over time because the customer receives and consumes the benefits of platform access evenly throughout the contract period. Revenue is recognized on a straight-line basis over the duration of the contract. The transaction price is the fixed annual fee specified in the contract.

Service fees

Service fee revenues include fees earned for services rendered to financial institutions to help them find loan candidates, determine what potential or existing customers to lend to, manage their credit risk exposure, and help facilitate their credit transactions through the Company's technology platforms.

Service fees earned for services rendered to financial institutions over time is calculated based on a percentage of the value of the transactions associated with the services or in some cases, represent the price to obtain risk analysis or similar types of reports, charged either per report or on a subscription basis.

4.8 Assets held for sale

Assets held for sale are classified as held for sale when their carrying amount will be recovered principally through a sale transaction rather than continuing use and a sale is highly probable. Assets designated as held for sale are accounted for at the lower of their carrying amount at designation and fair value less costs to sell.

4.9 Current and deferred income taxes

Tax expense recognized in profit or loss when applicable comprises the sum of deferred tax and current tax not recognized directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the consolidated financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries is not provided if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided those rates are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss or deductible temporary difference will be able to be utilized against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in profit or loss, except where they relate to items that are recognized directly in the equity, in which case the related deferred tax is also recognized in equity.

4.10 Basic and diluted loss per share

Basic loss per share is calculated using the net loss and the weighted average number of outstanding shares during the year. Diluted loss per share is calculated by adjusting the weighted average number of outstanding shares, for the effects of all dilutive potential common shares which include convertible debentures, options and warrants. Since the Company has incurred losses, the diluted loss per share is equal to the basic loss per share due to the antidilutive effect of convertible debentures, options and warrants.

(In Canadian dollars)

4 - SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.11 Financial instruments

The Company classifies a financial asset or a financial liability in its statement of financial position when it becomes party to the contractual provisions of the instrument. At initial recognition, the Company measures a financial asset or a financial liability at its fair value plus or minus, transaction costs that are directly attributable to the acquisition of the financial asset or the financial liability where applicable.

Financial assets

The Company classify financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss, based on its business model for managing the financial asset and the financial asset contractual cash flow characteristics. The three categories are defined as follows:

(a) Amortized cost - A financial asset is measured at amortized cost if both of the following conditions are met:
- the net asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets comprised of cash and restricted cash, loans receivable, debtors (except sales tax receivable), deposit and other current assets are measured at amortized cost. After initial recognition, these are measured at amortized cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

(b) Fair value through other comprehensive income - Financial assets are classified and measure at fair value through other comprehensive income if they are held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

(c) Fair value through profit or loss - Any financial assets that are not held in one of the two business models mentioned are measured at fair value through profit or loss.

Equity investments, other than subsidiaries controlled by the Company or associate companies, are recorded at fair value through profit or loss. The equity investments are measured at fair value, using either active market transactions to value its investment or other valuation methods whenever no active market exists. Variation in fair value is recorded in the consolidated statements of comprehensive profit and loss.

When, and only when, the Company changes its business model for managing financial assets it must reclassify all affected financial assets.

Impairment of financial assets

The Company assess the impairment of its loans receivables, debtors, and deposit using the expected credit loss model. The Company considers a broader range of information when assessing credit risk and measuring expected credit loss including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

At the end of each reporting period, the Company applies a three-stage forward looking impairment approach for its loans receivables to measure the expected credit loss (ECL). For all the other financial assets, the Company applies the simplified approach which reflects the lifetime ECL.

Determining the stage

The ECL three-stage impairment approach is based on the change in the credit quality of loans receivable financial assets. If the credit risk and the credit quality of non-impaired financial instruments has not deteriorated significantly since initial recognition, these financial instruments are classified in Stage 1, and an allowance for credit losses is measured and recorded at an amount equal to the 12-month expected credit loss. When there is a significant increase in credit risk and the credit quality has deteriorated significantly since initial recognition, these non-impaired financial instruments are migrated to Stage 2, and an allowance for credit losses is measured and recorded at an amount equal to lifetime expected credit losses. When one or more events that have a detrimental impact on the estimated future cash flows of a financial asset has occurred, the financial asset is considered credit-impaired and is migrated to Stage 3, and an allowance for credit losses equal to lifetime expected losses continues to be recorded or the financial asset is written off. The Company was previously rebutting the presumption in paragraph 5.5.11 of IFRS 9 that a financial asset has a significant increase in credit risk when it is more than 30 days past due, and the presumption of default when it is more than 90 days past due, for its portfolio of credit-based loans, only. The 30-day and 90-day thresholds were not applied as automatic triggers but as points that necessitate a deeper review, the outcome of which may be a rebuttal based on loan-specific characteristics. As of December 31, 2025, the Company enhanced its ECL model to rely on overdue-day triggers for migration between stages, whereby a financial asset has an increase in credit risk when it is more than 30 days past due and is considered in default when it is more than 90 days past due. This change in accounting estimate was applied prospectively. The model now presents its stages as follows:

Stage 1	Performing/Not Overdue
Stage 2	Underperforming/Overdue 30-90 days
Stage 3	Credit-Impaired/Overdue > 90 days

The interest income is calculated on the gross carrying amount for financial assets in Stages 1 and 2 and on the net carrying amount for financial assets in stage 3.

Measurement of Expected Credit losses (ECL)

ECLs are measured as the probability-weighted present value of all expected cash shortfalls over the remaining expected life of the financial instruments, and reasonable and supportable information about past events, current conditions and forecasts of future events and economic conditions is considered. The estimation and application of forward-looking information requires significant judgment. The cash shortfall is the difference between all contractual cash flows owed to the Company and all the cash flows that the Company expects to receive.

The measurement of ECLs is primarily based on the product of the financial instruments probability of default, loss given default, and exposure at default. Forward-looking macroeconomic factors such as credit default indices, interest rates and gross domestic product are incorporated into the risk parameters. The estimate of expected credit losses reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes. Due to the short-term nature of the Company's commercial loans, the forward-looking macroeconomic factors are generally not important to the Company.

4 - SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

A financial asset is deemed credit-impaired when one or more events with a detrimental impact on its estimated future cash flows have occurred. Such events could include but are not limited to 1) significant financial difficulty of the counterparty; 2) a breach of contract, such as a default or past-due event; or 3) the likelihood that the counterparty will enter bankruptcy or other financial reorganization.

Debtors and deposits are written off (i.e. derecognised) when there is no reasonable expectation of recovery. Failure to make payments within 180 days from the invoice date and failure to engage with the Company on alternative payment arrangements among other is considered indicators of no reasonable expectation of recovery.

The Company applies experienced credit judgment to adjust the modelled ECL results when it becomes evident that known or expected risk factors and information were not considered in the credit risk rating and modelling process.

The simplified approach has been used for the calculation of the ECL for debtors and deposit.

Financial liabilities

The Company's liabilities include accounts payable, advances and accrued liabilities, debentures, short term loans, loan payable, credit facility, bonds, CEBA loan and conversion options.

When the Company becomes a party to the contractual provisions of the financial instruments, these are initially measured at fair value adjusted for transaction costs unless the Company classified its financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortized cost using the effective interest method except for conversion option classified at fair value through profit or loss, which are carried subsequently at fair value with gains or losses recognized in profit or loss.

The liability and the conversion option or the equity components of convertible debentures are presented separately on the consolidated statements of financial position starting from initial recognition.

The liability component is recognized initially at the fair value, by discounting the stream of future payments of interest and principal at the prevailing market rate for a similar liability of comparable credit status and providing substantially the same cash flows that do not have an associated conversion option. Subsequent to initial recognition, the liability component is measured at amortized cost using the effective interest method; the liability component is increased by accretion of the discounted amounts to reach the nominal value of the debentures at maturity.

The carrying amount of the equity component is calculated by deducting the carrying amount of the financial liability from the amount of the debentures and is presented in shareholders' equity as equity component of convertible debentures. A deferred tax liability is recognized with respect to any temporary difference that arises from the initial recognition of the equity component separately from the liability component. The deferred tax is charged directly to the carrying amount of the equity component. Subsequent changes in the deferred tax liability are recognized through the consolidated statements of comprehensive profit and loss. The conversion option is initially valued at fair value and subsequently revaluted at fair market value with gains or losses recognized in the consolidated statement of comprehensive profit and loss.

4.12 Associate company

The Company applies the equity method in accounting investments in companies subject to significant influence ("associate company"). The share of the operating results of an associate company is recorded in the consolidated statements of comprehensive profit and loss. The cumulative Company's share of the associate company losses is limited to the recorded equity interest, except for obligation or payments assumed for another party. An impairment loss is recognized if any facts and circumstances indicate that the investment's carrying value exceeds its fair value.

4.13 Property and equipment

Property and equipment are initially recorded at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Company's management. Property and equipment are subsequently measured at cost less accumulated depreciation and impairment.

Depreciation is recognized on a straight-line basis using rates based on the estimated useful lives of the asset as follows:

	Useful life
IT and office equipment	2–5 years
Vehicles and other equipment	3–5 years
Right-of-use assets	0-10 years
Leasehold improvement	10 years

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

4.14 Intangible assets

Intangible assets acquired separately are initially recognized at acquisition cost and are subsequently measured at cost less accumulated depreciation and impairment losses. Intangible assets acquired through business combination are measured initially at their fair value as at the date of acquisition. After initial recognition, intangible assets are recorded at cost less accumulated amortization, if they are amortizable, and less accumulated impairment.

Amortization is recognized on a straight-line basis using rates based on the estimated useful lives of the asset as follows:

	Useful life
Fintech platforms (Gold River, Cubeler, and others)	3–8 years
Tradename	3–8 years
Loan servicing agreements	10 years

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

4 - SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.15 Business combinations

The Company applies the acquisition method in accounting for business combinations. The consideration transferred by the Company to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Company, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. The Company measures the non-controlling interest, if any, at the proportionate share in the acquiree's identifiable net assets. Acquisition costs are expensed as incurred.

Assets acquired and liabilities assumed are recorded at their acquisition-date fair values.

After initial recognition, goodwill is measured at cost less any accumulated impairment.

4.16 Impairment of goodwill and long-lived assets

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows called cash-generating units (CGUs). As a result, some assets are tested individually for impairment and some are tested at the CGU level. Goodwill is allocated to those CGUs that are expected to benefit from synergies of a related business combination and represent the lowest level within the group at which management monitors goodwill.

CGUs to which goodwill has been allocated (determined by the Company's management as equivalent to operating segments) are tested for impairment at least annually. All other individual assets or CGUs are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's (or CGUs) carrying amount exceeds its recoverable amount which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use management estimates expected future cashflows from each CGU and determines a suitable discount rate in order to calculate the present value of those cashflows. The data used for impairment testing is directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each CGU and reflect current market assessments of the time value of money and asset specific risk factors.

Impairment losses for CGUs reduce first the carrying amount of any goodwill allocated to that CGU. Any remaining impairment loss is charged pro-rata to the other assets in the CGU.

With the exception of goodwill, all assets are subsequently reassessed for indications an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or CGU's recoverable amount exceeds it's carrying amount.

4.17 Provisions

Provisions are recognized when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events.

Provisions are recognized at the best estimate of the expenditure required to settle the present obligation at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted when the time value of money is significant.

4.18 Equity

Capital stock represents the amount received on the issue of shares less incremental costs, net of tax, directly attributable to the issue of the shares. If shares are issued after share options or warrants are exercised, it also includes compensation costs previously recognized in contributed surplus.

Unit Placements ("Units")
The Company allocates the equity financing proceeds between common shares and warrants according to the relative fair value of each instrument. The fair value of the common shares is determined according to the market price of the shares on the Canadian Securities Exchange on the issuance date, and the fair value of the warrants is determined using the Black & Scholes pricing model.

Contributed surplus within equity includes amounts in connection with share options and warrants issued. When share options and warrants are exercised, the related compensation cost is transferred in capital stock.

When conversion of debentures occurs, the related cost is transferred from the equity component of convertible debentures to capital stock. The related issuance costs reduce the equity.

Deficit includes all current and prior period losses and the value of the extended warrants.

Accumulated other comprehensive income includes all current and prior period currency translation adjustment gain and losses.

4.19 Share-based payments

The Company operates equity-settled share-based payment plans for its eligible directors, officers, employees and others providing similar services. None of the Company's plans features any options for a cash settlement.

All goods and services received in exchange for the grant of any share-based payments are measured at their fair values, unless that fair value cannot be estimated reliably. If the Company cannot estimate reliably the fair value of the goods and services received, the Company shall measure their value indirectly by reference to the fair value of the equity instruments granted. For the transactions with employees and others providing similar services, the Company measured the fair value of the services received by reference to the fair value of the equity instruments granted.

All equity-settled share-based payments (except warrants to brokers, agents and finders) are ultimately recognized as an expense in the profit or loss with a corresponding credit to contributed surplus, in equity. Equity-settled share-based payments to brokers, in respect of an equity financing, are recognized as issuance costs and are presented as a reduction to the equity instruments with a corresponding credit to contributed surplus, in equity.

4 - SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting year, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is an indication that adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior period if share options ultimately exercised are different to that estimated on vesting.

4.20 Leased assets

The Company recognized a right-of-use asset and a lease liability with respect to a lease on the date the underlying asset is available for use by the Company (hereafter, the "commencement date").

The right-of-use asset is initially measured at cost, which includes the initial lease liabilities adjusted for lease payments on or before the commencement date, plus initial direct costs incurred and an estimate of all of the costs for dismantling and removing the underlying asset, less any lease incentives received as part of the contract.

The right-of-use asset is amortized over the shorter of the estimated useful life of the underlying asset or the lease term on a straight-line basis. Additionally, the cost of a right-of-use asset is reduced by any accumulated impairment losses and, as appropriate, adjusted for any remeasurement of the related lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date over the lease payments to be made over the lease term, calculated using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as its discounting rate. The lease payments included in the lease liability include the following, in particular:

– Fixed payments, including in-substance fixed payments, less any lease incentives receivable;
– Variable payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
– Lease payments relating to extension options that the Company is reasonably certain it will exercise.

Accordingly, lease payments and the lease liability include payments relating to lease and non-lease components.

The Company has elected not to recognize separately non-lease components of leases for office space (buildings).

The interest expense relating to lease liabilities is recognized in profit or loss using the effective interest method. New right-of-use assets and liabilities are non-cash transactions and thus excluded from the consolidated statement of cashflows.

The lease liability is remeasured when there is a change in future lease payments resulting from a change in an index or when the Company changes its measurement with respect to the exercise of a purchase, extension or termination option. The lease liability adjustment is adjusted against the related right-of-use asset or recorded in profit or loss if the right-of-use asset is reduced to zero.

Lease payments relating to leases for which the underlying asset is of low value are recognized on a straight-line basis as an expense in profit or loss. Low-value assets include computer equipment and small office furniture.

4.21 Research & Developement costs

Internally incurred research and development costs are recognized to the profit and loss accounts as incurred, except for project development costs that meet the criteria below:

– The product or process is defined, and costs are seperatly identified and reliably measured;
– The technical feasibility of the product or project is demonstrated, and the Group's experience in this area is established;
– Adequate resources are available to complete the project successfully;
– A potential market for the products exists or their usefulness, in case of internal use, is demonstrated;
– The Company intends to produce or market, or use the new product or process, and can demonstrate its profitability or existence of a market.

When all the above criterias meet, the development costs are capitalized as intangible assets.

The method of amortization is generally determined by reference to the expected period in which future economic benefits will be earned. If the method cannot be determined reliably, linear amortization is adopted. The period of amortization depends on the type of activity.

5 - CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS

5.1 Estimates

5.1.1 Share-based payments and warrants

The estimation of the fair value of options and warrants at the date of grant requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. Details of the assumptions used by the Company are given in note 21 and 22.

5.1.2 Impairment of goodwill and long-lived assets

Determining if there are any facts and circumstances as indicating impairment loss or reversal of impairment losses is a subjective process involving judgement and a number of estimates and assumptions in many cases.

In assessing impairment, management assesses the recoverable amount of each asset or CGU based on expected future cashflows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

5 - CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS (CONTINUED)

5.1.3 Leases

Recognizing leases requires judgment and the use of estimates and assumptions. Judgment is used to determine whether there is reasonable certainty that a lease extension or cancellation option will be exercised. Furthermore, management estimates are used to determine the lease terms and the appropriate interest rate to establish the lease liability.

5.1.4 Acquisition valuation method

The Company uses valuation techniques when determining the fair value of certain assets and liabilities acquired in a business combination. In particular, the fair value of each intangible assets is dependent on the outcome of many variables.

5.1.5 Measurement of expected credit losses (ECL)

Determining if there are any significantly strong facts and circumstances indicating expected credit losses is a subjective process involving judgement relative to the overall context and probability of recoverability of the balances under review.

5.2 Judgments

5.2.1 Deferred tax assets

The Company must use certain assumptions and important accounting judgments to determine if deferred taxes can be recognized. Management has to evaluate whether it is more likely than not that they will be realized, taking into consideration all probable elements at their disposal to determine if all or part of deferred taxes will be recognized. To determine this probability, certain factors have to be taken into account, notably the Company's projection of future taxable income and determine in which fiscal period these profits should materialize.

5.2.2 Going concern

The assessment of the Company's ability to continue as a going concern and to have sufficient funds to pay its ongoing operating expenditures, meet its liabilities the ongoing year, involve significant judgment based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances. More information about the going concern is disclosed in note 2.

5.2.3 Classification of investments in equity

When the Company recognize an investment in equity, all the relevant facts and circumstances are considered to determine the level of participation and influence on the operation and the classification of the asset as either an associate company or an other equity investment. Such facts and circumstances would include, but not be limited to, the percentage of ownership, the percentage of the voting rights, and the relative influence of other owners or partners in the investment.

5.2.4 Determination of Control Over an Investee Subject to Nominee Shareholder Arrangements

Management exercised significant judgement in concluding that the Company controls ASFC. The Company determined that it has power over ASFC's relevant activities, exposure to variable returns, and the ability to use its power to affect those returns, as required by IFRS 10. The key judgements and assumptions supporting this conclusion are:

– **Nominee Shareholder Structure:** 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 judged these agreements to provide substantive rights, enabling the Company to direct ASFC's relevant activities.
– **Power Over Relevant Activities:** Under ASFC's articles of association, the board of shareholders is the company's organ of authority. The board of shareholders has the power to appoint and remove the company's directors, and to determine the company's board of directors, which in turn determine the company's operating principles and investment plans, which management identified as ASFC's relevant activities. Prior to the creation of ASFC, the Company entered into nominee shareholder agreements with four nominee shareholders such that the nominee shareholders would hold shares in ASFC on behalf of the Company and exercise their voting rights as instructed by the Company. The Company therefore sent its registered capital contribution to create ASFC, representing 51% of the total registered capital of ASFC, to the nominee shareholders so that the registered capital may be contributed by the nominee shareholders on behalf of the Company. It is therefore the nominee shareholders, not the Company, who are identified as the registered contributors of ASFC's registered capital in ASFC's articles of association, which gives them the voting rights associated with the registered capital contribution. Because voting rights are proportional to capital contributions, the Company's 51% interest, as recognized in the nominee shareholder agreements, provides the Company with indirect majority decision-making authority of ASFC's board of shareholders through the nominee shareholder agreements. While the nominee shareholders are the legally registered shareholders of ASFC, the nominee shareholder agreements identify the Company as the actual contributor of the registered capital of ASFC. Article 11 of the nominee shareholder agreements states that the Company may terminate the nominee shareholder agreement and restore its actual shareholding status at any time. Given that the board of shareholders has the power to appoint and remove the company's directors, who in turn have the power to appoint and remove members of the company's management, and that the Company can unilaterally terminate its agreement with its nominee shareholders at any time, the Company therefore, through the nominee shareholder agreements, has the power to remove any member of ASFC's management team regardless of whether the member is a nominee shareholder or not. This reaffirms the Company control over ASFC's board of shareholders, its board of directors, its executive management and ultimately over ASFC's relevant activities.
– **Ability to Affect Returns:** By directing ASFC's relevant activities through its nominee shareholders, the Company can influence ASFC's financial performance and therefore the returns associated with its ownership interest.
– **Exposure to Variable Returns:** The Company is exposed to both upside and downside variability from ASFC's performance. Management noted that loss of control would result in a material deconsolidation impact, demonstrating significant exposure to variable returns.

(In Canadian dollars)

5 - CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS (CONTINUED)

– **Consistency of Judgements:** Management confirmed that no changes occurred in the judgements or assumptions used to assess control during the reporting period.

6 - 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.

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.

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:

	2025 December 31	**2024** December 31
Principal balance loans receivable		
Autos	1,044,561	950,478
Residential Property	62,024	175,065
Credit and Supply Chain Finance Credit	18,747,220	17,865,395
Principal balance loans receivable	19,853,805	18,990,938
Less expected credit loss (ECL)	(1,862,354)	(738,609)
Foreign exchange	(15,692)	(6,443)
Loans receivable net	17,975,759	18,245,886
Loans receivable maturing in less than 12 months	17,975,759	18,186,928
Loans receivable maturing in more than 12 months	–	58,958
	17,975,759	18,245,886

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. 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 annual review was completed for the year ended December 31, 2025. 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.

(In Canadian dollars)

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

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.

Certain loan exposures experienced a significant increase in credit risk and are supported by guarantees provided by Jiangsu Jiudong Ltd. ("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.

Credit quality of loans

The following table presents the gross carrying amount of loans receivable as at December 31, 2025 and 2024, according to credit quality and ECL impairment stages.

	Credit Loss Allocation Applied (1)		
	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%

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

(1) Credit Loss Allocation Applied represents the LGD rate part of the calculation of the Allowance for Credit Loss rate. In addition to the Allowance for Credit Loss rate the model incorporates PD rates representing the probability of default. The calculation is as follow: PD*LGD*Gross Carrying Amount = Allowance for Credit Loss. The PD rate used in the ECL model by product type is presented as follows:

	PD rates	
	Auto and Residential Property	Credit and Supply Chain Finance Credit
Stage 1	1.0%	1.0%
Stage 2	30.0%	5.0%
Stage 3	100.0%	30.0%

December 31, 2024	%	Gross Carrying Amount - (Restated - Note 32)	Allowance for Credit Loss	Net Carrying Amount
Stage 1: Performing	16.7%	3,168,057	(3,577)	3,164,480
Stage 2: Underperforming	49.9%	9,481,045	–	9,481,045
Stage 3: Credit-impaired	33.4%	6,341,836	(741,475)	5,600,361
	100.0%	18,990,938	(745,052)	18,245,886

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

(In Canadian dollars)

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

	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
Transfers				
- to lifetime ECL performing	(13,348)	13,348	–	–
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 (1)	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

(1) Interest revenue on commercial loans is recognized using the effective interest rate method. The Company recorded a year-end adjustment for all loans that matured during the year but continued to accrue interest until the principal was fully repaid. All such loans were classified as Stage 3 as of December 31, 2025.

The Gross Carrying Amount for loans to customers as at December 31, 2024, 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, 2024	–	–	908,831	908,831
Repayments (contractual)	–	–	(164,882)	(164,882)
Capitalized interest at year-end	–	–	66,759	66,759
Derecognitions (including write-offs)	–	–	75,052	75,052
Foreign exchange and other	–	–	64,718	64,718
Gross Carrying Amount as at December 31, 2024	–	–	950,478	950,478

	Product Type - Residential property			
	Stage 1	Stage 2	Stage 3	Total
Gross Carrying Amount as at January 1, 2024	148,544	–	126,769	275,313
Repayments (contractual)	(89,097)	–	(54,651)	(143,748)
Capitalized interest at year-end	7,055	–	20,309	27,364
Transfers				
- to lifetime ECL credit-impaired	(50,240)	–	50,240	–
Foreign exchange and other	18,815	–	(2,679)	16,136
Gross Carrying Amount as at December 31, 2024	35,077	–	139,988	175,065

	Product Type - Credit & Supply Chain Finance Credit - (Restated - Note 32)			
	Stage 1	Stage 2	Stage 3	Total
Gross Carrying Amount as at January 1, 2024	16,102,062	–	–	16,102,062
Originations / new loans	1,892,160	–	–	1,892,160
Repayments (contractual)	(1,873,099)	–	–	(1,873,099)
Capitalized interest at year-end	810,256	–	–	810,256
Transfers				
- to lifetime ECL performing	(9,481,045)	9,481,045	–	–
- to lifetime ECL credit-impaired	(5,251,369)	–	5,251,369	–
Foreign exchange and other	934,016	–	–	934,016
Gross Carrying Amount as at December 31, 2024	3,132,981	9,481,045	5,251,369	17,865,395

(In Canadian dollars)

6 - 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
- 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 (1)			
	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 lifetime ECL performing	(40)	40	–	0
- to lifetime ECL credit-impaired	(3,220)	–	3,220	0
Foreign exchange and other	(20)	–	–	(20)
Loss allowance as at December 31, 2025	489	1,002	966,136	967,627

(1) The Company experienced an increase in credit risk since initial recognition on its Credit & Supply Chain Finance Credit portfolio of loans receivable during the period ended December 31, 2025. The impact of the increase in credit risk was incorporated into the ECL model and the Company recorded an additional ECL expense of $964,054 in the consolidated statement of comprehensive profit and loss.

The loss allowance for loans to customers as at December 31, 2024, 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, 2024	–	–	553,828	553,828
Originations net of repayments and other derecognitions	–	–	(11,674)	(11,674)
Net remeasurement	–	–	191,740	191,740
Foreign exchange and other	–	–	6,181	6,181
Loss allowance as at December 31, 2024	–	–	740,075	740,075

	Product Type - Residential property			
	Stage 1	Stage 2	Stage 3	Total ECL
Loss allowance as at January 1, 2024	15	–	1,268	1,283
Originations net of repayments and other derecognitions	(7)	–	(444)	(451)
Net remeasurement	–	–	497	497
Transfers				
- to lifetime ECL credit-impaired	(5)	–	5	–
Foreign exchange and other	1	–	74	75
Loss allowance as at December 31, 2024	4	–	1,400	1,404

	Product Type - Credit & Supply Chain Finance Credit			
	Stage 1	Stage 2	Stage 3	Total ECL
Loss allowance as at January 1, 2024	3,220	–	–	3,220
Originations net of repayments and other derecognitions	166	–	–	166
Foreign exchange and other	187	–	–	187
Loss allowance as at December 31, 2024	3,573	–	–	3,573

(In Canadian dollars)

7 - DEBTORS

	2025 December 31	2024 December 31
Sales tax receivable	968,988	1,010,176
Advances to companies	260,991	264,487
Accounts receivable (1)	3,257,602	387,530
Subscriptions receivable from non-controlling interests	1,358,386	1,303,309
Other receivable	–	300,000
Prepayments to third party subcontractors (2)	2,185,952	2,163,114
	8,031,919	5,428,616

(1) The Company reassesses the recoverability of each debtor categorized by type of supply chain activity and by customer. The Company identified new indicators of specific deterioration in supply chain activities related to business transactions on the GoldRiver platform during the year ended December 31, 2024. During the year ended December 31, 2025, an expense of $186,624 (December 31, 2024 - an expense of $10,320,481) was recorded as expected credit loss in the consolidated statements of comprehensive profit and loss. Please refer to the Note 30 Economic Dependance for more information regarding the concentration of risk as of December 31, 2025 regarding the remaining balance of Accounts Receivable still outstanding.

	2025 December 31	2024 December 31
Accounts receivable before expected credit loss	17,669,639	14,789,788
Less expected credit loss (ECL)	(14,016,904)	(13,830,280)
Foreign exchange	(395,133)	(571,978)
Accounts receivable after expected credit loss	3,257,602	387,530

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

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**

December 31, 2024	**Current**	**30-90 days**	**91-180 days**	**>180 days**	**Total**
Expected credit loss rate	51%	100%	0%	100%	
Estimated total gross carrying amount at default	794,390	23,770	30,399	13,941,229	14,789,788
Expected credit loss rate	407,278	23,770	30,399	13,940,811	14,402,258
Accounts receivable after expected credit loss	**387,112**	**–**	**–**	**418**	**387,530**

(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 December 31, 2025 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 December 31, 2025.

(In Canadian dollars)

7 - DEBTORS (CONTINUED)

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 December 31, 2025, 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 subcontractors' demonstrated cooperation, the progress made in settlement discussions, and the expectation of full cash recovery. The Company monitors this exposure through aging analysis, internal credit risk ratings, and direct communication with the subcontractors.
Each prepayment is matched by a corresponding contract liability representing the obligation owed to the downstream customer. This liability is presented under "Contract liabilities with third party customers" in Note 13.

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-24	–	–	–	2,163,114	2,163,114
31-Dec-25	–	–	–	2,185,952	2,185,952

**The movement between December 31, 2024 and December 31, 2025 is attributable to foreign exchange conversion impact.*

8 - OTHER CURRENT ASSETS

	2025 December 31	2024 December 31
Other current assets (1)	–	7,733,174
	–	7,733,174

(1) Of the total amount closed through the combined private placements of August 1st, 2023, August 18th, 2023 and September 8th, 2023, as described in the note 15, the Company had funds from convertible debentures recorded in other current assets amounting to $7,733,174 as at December 31, 2024. The funds from convertible debentures were still in process of being transferred to the Company from a bank account in China owned by a Director and officer of the Company and were under the control of a Company's holding subsidiary as at December 31, 2024. Following an assessment of the capital needs of its Chinese operations, the Company eventually reallocated the entire $7,733,174 to its Canadian operations, using $1,090,491 of the amount in the second quarter of 2025 and the remaining balance of $6,642,683 during the third quarter of 2025, bringing the balance of other current assets to $Nil as at December 31, 2025. This amount was presented under "Re-allocation of capital from proceeds of previous financings" under financing activities of the Consolidated Statements of Cash Flows.

9 - PROPERTY AND EQUIPMENT

	Right-of-Use Assets	IT & Office Equipment	Leasehold Improvement	Vehicles & Other Equipment	Total
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
Gross carrying amount					
Balance as at January 1, 2024	5,371,610	696,923	405,059	215,463	6,689,055
Disposals	(1,385,834)	(16,207)	–	(24,070)	(1,426,111)
Balance as at December 31, 2024	3,985,776	680,716	405,059	191,393	5,262,944
Accumulated amortization					
Balance as at January 1, 2024	2,703,747	256,500	28,705	190,779	3,179,731
Depreciation	355,991	96,025	38,273	624	490,913
Disposals	(556,102)	(8,072)	–	(9,986)	(574,160)
Exchange differences	(52,130)	(953)	–	(35)	(53,118)
Balance as at December 31, 2024	2,451,506	343,500	66,978	181,382	3,043,366
Net carrying amount as at December 31, 2024	1,534,270	337,216	338,081	10,011	2,219,578

During the year ended December 31, 2025, the Company disposed IT & Office Equipment and Vehicules & Other Equipment having a combined net book value of $639,733 for a total net proceeds of $46,493. Consequently, a loss on disposition of property and equipment of $593,240 (December 31, 2024 - a gain of $12,868) was recorded in the consolidated statement of comprehensive profit and loss.

(In Canadian dollars)

9 - PROPERTY AND EQUIPMENT (CONTINUED)

During the year ended December 31, 2025, the Company disposed Right-of-Use Assets ("ROUA") having a combined net book value of $1,144,365 net of the remaining Lease Liability of $2,136,796 which represented a non-cash transaction and resulted in a gain on disposition of property and equipment of $992,431. As a result of the termination of the Canadian ROUA and the related lease liability, the Company had previously been entitled to reimbursement for leasehold improvements and furnitures, which had been recorded as accounts receivable in accordance with the contract. These receivables were surrendered upon the termination date. After offsetting $209,041 of remaining rent payable to the landlord and $90,502 of prepaid rent, the Company left behind approximately $771,373 of reimbursable expenses. The surrender of these net receivables resulted in the Company recognizing a loss on forgiveness of net receivables totaling $652,836. In addition, the lease payment of the Company's subsidiary ASST, ASDS and ASCS were forgiven for an amount of $41,574. The Company recorded the combined net loss on disposition of property and equipment related to the previous transactions related to the ROUA derecognition for a total amount of $253,645 in the consolidated statement of comprehensive profit and loss (December 31, 2024 - a gain of $20,754).

10 - INVESTMENTS

	2025 December 31	2024 December 31
Other equity investments (1)	980,000	985,500
	980,000	985,500

(1) The Company holds, through its ASFC subsidiary, a 5% equity interest in Wuxi Xincheng Venture Capital Partnership ("AVC"), a China-registered investment partnership. The fair market value of the equity investment is $980,000 as at December 31, 2025 (December 31, 2024 - $985,500).

The movement during the year ended December 31, 2025 and 2024, relating to the other equity investments, were as follows:

	2025 December 31	2024 December 31
Balance at the beginning of the year	985,500	1,183,005
Impairment (AXS)	–	(266,085)
Foreign exchange	(5,500)	68,580
Balance at the end of the year	980,000	985,500

11 - FINANCE LEASE RECEIVABLE

	2025 December 31	2024 December 31
Balance at the beginning of the year	92,464	–
Additions	–	100,980
Rental payments received	(34,729)	(8,516)
Balance at the end of the year	57,735	92,464
Current Portion	42,640	34,729
Non-current Portion	15,095	57,735

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 December 31, 2025 were as follows:

As at December 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

As at December 31, 2024	**Payments to be received by period**			
	1 year	2 - 5 years	Beyond 5 years	Total
Lease payments to be received	38,555	59,807	–	98,362

The total unearned finance income up to the end of the sublease term is $2,072 as at December 31, 2025 ($5,899 - December 31, 2024).

The total other rental income collected from the subtenant relating to additional rent (operating expenses recovery) is recorded as revenues in the consolidated statement of comprehensive profit and loss for the year ended December 31, 2025.

(In Canadian dollars)

12 - INTANGIBLE ASSETS

The carrying value of the intangible assets as at December 31, 2025 and December 31, 2024, 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	6,877,035	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
Gross carrying amount								
Balance as at January 1, 2024	1,430,000	19,114,001	2,597,846	24,924,238	6,477,629	10,501,156	5,287,000	70,331,870
Addition	–	394,200	110,376	–	399,406	(246,313)	–	657,669
Balance as at December 31, 2024	1,430,000	19,508,201	2,708,222	24,924,238	6,877,035	10,254,843	5,287,000	70,989,539
Accumulated amortization and impairment loss								
Balance as at January 1, 2024	715,000	9,823,803	1,692,598	24,924,238	3,744,424	9,459,156	5,284,168	55,643,387
Amortization	143,000	4,263,145	499,715	–	1,614,927	463,706	500	6,984,993
Impairment loss on intangible	–	5,712,051	570,241	–	251,953	392,387	–	6,926,632
Exchange differences	–	(290,798)	(54,332)	–	(152,416)	(60,406)	–	(557,952)
Balance as at December 31, 2024	858,000	19,508,201	2,708,222	24,924,238	5,458,888	10,254,843	5,284,668	68,997,060
Net carrying amount as at December 31, 2024	572,000	–	–	–	1,418,147	–	2,332	1,992,479

(In Canadian dollars)

12 - INTANGIBLE ASSETS (CONTINUED)

12.1 Impairment testing - Goodwill and other intangible assets for the prior year

Goodwill and intangible assets not yet available for use are tested each financial year for impairment and whenever events or changes in circumstances indicate that the carrying amount of individual intangible assets or CGUs may not be recoverable. Intangible assets with finite useful lives are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of individual intangible assets may not be recoverable.

For the purpose of impairment testing, goodwill is allocated to the operating segments expected to benefit from the synergies of the business combinations in which the goodwill arises as set out below, and is compared to its recoverable amount.

For the purpose of impairment testing, at the time of the purchase price allocation, when goodwill arises it is allocated to the operating segments (Cash Generating Units ("CGUs")) expected to benefit from the synergies of the business combinations in which the goodwill arises. Impairment of goodwill is assessed by estimating the recoverable amount of the CGU to which goodwill has been allocated compared to the net carrying value of CGU assets.

Indicators of impairment - Heartbeat

As at December 31, 2024, management revised downward for a second year in a row its Heartbeat's business forecasted growth and net generated cash flows following the CGU latest operational performance. Management concluded that Heartbeat's economic performance during the last quarters met the criteria to assess the CGU and related intangible assets for impairment. As at December 31, 2024, events or changes in circumstances indicate that the carrying amount of individual intangible assets may not be recoverable.

Impairment review - Heartbeat

As at December 31, 2024, the goodwill, recoverable amounts and related carrying values of the Heartbeat CGU were assessed to be as follows:

	Intangible assets included in CGU	Recoverable amount	Carrying value	Impairment
Heartbeat CGU	392,387	–	392,387	(392,387)

Following recent events that took place in the fourth quarter of 2024, the Company revised downward its Heartbeat business forecast growth and net generated cash flows following the drop in transaction volume on the platform during the last 12 months. The Company decided to be prudent in estimating the timing of future potential revenues.

Management decided to estimate the recoverable amount to $Nil as of December 31, 2024 to be prudent and due to the poor economic performance during the last 12 months related to the Heartbeat's CGU.

Considering the financial performance, Tenet assessed the recoverable amount of the Technology and Tradename and concluded in an impairment of $392,387 was recognized for the period ended December 31, 2024.

Indicators of impairment - GoldRiver

As at December 31, 2024, management revised Goldriver's business forecasted growth and net generated cash flows following the CGU latest operating performance. Additionally, the Company engaged an external valuator to assess the technical valuation of Goldriver's technology and estimate the approximate market price for potential buyers of similar technology. Due to the uncertainty of potential buyers at the time of the financial statement and the unpredictability of restoring transaction volumes and revenues to historical levels, the Company concluded that it met the criteria to assess the CGU and related intangible assets for impairment. As at December 31, 2024, events or changes in circumstances indicate that the carrying amount of individual intangible assets may not be recoverable.

Impairment review - GoldRiver

As at December 31, 2024, the goodwill, recoverable amounts and related carrying values of the GoldRiver CGU were assessed to be as follows:

	Intangible assets included in CGU	Recoverable amount	Carrying value	Impairment
GoldRiver CGU	5,447,850	–	5,447,850	(5,447,850)

Management determined that an impairment test could not be reliably performed due to the absence of forecasted budgets and key valuation assumptions. Given the lack of sufficient evidence to support future economic benefits, a full write-off was proposed. As a result, an impairment loss of $5,447,850 was recognized in the Audited Consolidated Financial Statements for the year ended December 31, 2024.

(In Canadian dollars)

12 - INTANGIBLE ASSETS (CONTINUED)

Indicators of impairment - Steelchain

As at December 31, 2024, management revised Steelchain's business forecasted growth and net generated cash flows following the CGU latest operating performance. Due to the uncertainty of potential buyers at the time of the financial statement and the unpredictability of restoring transaction volumes and revenues to historical levels, the Company concluded that it met the criteria to assess the CGU and related intangible assets for impairment. As at December 31, 2024, events or changes in circumstances indicate that the carrying amount of individual intangible assets may not be recoverable.

Impairment review - Steelchain

As at December 31, 2024, the goodwill, recoverable amounts and related carrying values of the Steelchain CGU were assessed to be as follows:

	Intangible assets included in CGU	Recoverable amount	Carrying value	Impairment
Steelchain CGU	1,086,395	–	1,086,395	(1,086,395)

Management determined that an impairment test could not be reliably performed due to the absence of forecasted budgets and key valuation assumptions. Given the lack of sufficient evidence to support future economic benefits, a full write-off was proposed. As a result, an impairment loss of $1,086,395 was recognized in the Audited Consolidated Financial Statements for the year ended December 31, 2024.

13 - ACCOUNTS PAYABLE, ADVANCES AND ACCRUED LIABILITIES

	2025 December 31	2024 December 31
Trade accounts payable and accruals	17,003,945	16,867,812
Advances received from a company owned by a Director, no interest (1)	1,217,740	720,983
Advances from third-party customers, no interest	46,855	45,707
Contract liabilities with third-party customers, no interest (2,3)	2,612,914	2,164,371
Interest payable on debentures (note 15)	604,228	209,383
Provision for legal settlement (4)	1,644,720	1,726,680
Advances from third-party	–	190,000
	23,130,402	21,924,936

(1) During the year ended December 31, 2025, a Company owned by a Director of the Company, made a series of short-term loans totally approximately $500,780 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 December 31, 2025 is $1,217,740 (December 31, 2024 - $720,983). A foreign exchange gain of $4,023 was recognized.

(2) Advance from downstream corporate clients for supply chain bundle service fee.

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

	2025 December 31	2024 December 31
Balance at the beginning of the year	2,164,371	2,019,404
Increase in contract liabilities during the period	1,298,123	131,419
Revenue recognized for balances included in Contract liabilities Balance at the beginning of the year	–	(87,175)
Revenue recognized for balances included in Contract liabilities Balance in previous years	(14,886)	(15,083)
Revenue recognized for Contract liabilities originated during the period	(802,175)	(1,422)
Other	(21,806)	–
Exchange differences	(10,713)	117,228
Balance at the end of the year	2,612,914	2,164,371

(4) On April 8th, 2024, an agreement was signed to settle a class action lawsuit that was brought against Tenet and two of its executives on November 19, 2021 in the United States District Court for the Eastern District of New York. Despite the fact that the settlement does not include any admission of liability or wrongdoing on the part of the Company or any defendant, the parties have agreed to a settlement of approximately $1,632,000 ($1,200,000 USD) payable in five instalments between April 30, 2024, and December 31, 2024. Consequently, a loss on legal settlement totalling $1,632,000 was initially recorded in the statements of comprehensive profit and loss for the year ended December 31, 2023 and a provision for legal settlement for the same amount was booked, in accounts payable, advances and accrued liabilities within the consolidated statements of financial position as at December 31, 2023. The balance recorded in accounts payable, advances and accrued liabilities is revalued into Canadian dollars at the foreign exchange rate as at the end of each reporting period with the resulting difference recorded as a foreign exchange expense within the consolidated statement of comprehensive profit and loss. During the year ended December 31, 2025, the Company recorded a foreign exchange loss of $81,660 related to this revaluation. As a result, the balance recorded in accounts payable, advances and accrued liabilities as at December 31, 2025 is $1,644,720 (December 31, 2024 - $1,726,680).

(In Canadian dollars)

14 - LEASE LIABILITIES

	2025 December 31	2024 December 31
Balance at the beginning of the year	1,895,774	2,787,836
Adjustment (1)	(1,245,609)	(591,303)
Accretion interest	157,113	264,794
Lease payments	(621,105)	(546,425)
Effect of exchange rate change on obligation	(37,470)	(19,128)
Balance at the end of the year	148,703	1,895,774
Current Portion	115,700	203,426
Non-current Portion	33,003	1,692,348

(1) During the year ended December 31, 2025, the Company disposed of the remaining Lease Liability in Canada which represented a non-cash transaction and resulted in a gain on disposition of property and equipment net of its ROUA.

The Company's obligations regarding lease payments as at December 31, 2025, and December 31, 2024, were as follows:

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

As at December 31, 2024	**Payments due by period**			
	1 year	2 - 5 years	Beyond 5 years	Total
Lease payments	579,484	1,682,142	1,392,635	3,654,261

(In Canadian dollars)

15 - DEBENTURES

The carrying value of the debentures as at December 31, 2025 and 2024, was as follows:

	2025 December 31	**2024** December 31
Debenture issuance of December 23, 2022 (note 15.1)	450,000	450,000
Debenture issuance of January 31, 2023 (note 15.2)	50,000	214,737
Debenture issuance of August 1, 2023 (note 15.3)	2,316,619	2,001,270
Debenture issuance of August 18, 2023 (note 15.4)	336,410	2,039,815
Debenture issuance of September 8, 2023 (note 15.5)	627,426	544,405
Debenture issuance of Februaty 2, 2024 (note 15.6)	781,728	863,944
Debenture issuance of Februaty 27, 2024 (note 15.7)	393,836	326,979
Debenture issuance of April 16, 2024 (note 15.8)	632,405	535,325
Debentures	5,588,424	6,976,475
Debentures, short-term	3,780,455	664,737
Debentures, long-term	1,807,969	6,311,738
	5,588,424	6,976,475

As at December 31, 2025, $604,228 of interest payable on debentures is recorded in accounts payable, advances and accrued liabilities (December 31, 2024 - $209,383).

Total issuance costs recorded in the consolidated statements of changes in equity related to convertible debentures issued during year ended December 31, 2025 and 2024 were respectively $Nil and $208,717.

15.1 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 15.4), the debentures are convertible at a price of $0.25 per common share.

On April 24, 2023, $2,000,000 of convertible debentures were converted into common shares of the Company. At the date of conversion, these debentures had an amortized cost totalling $1,443,894. The Company issued 2,816,901 common shares to the debenture holder and recorded $1,443,894 in share capital.

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, 2024. 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 year ended December 31, 2025.

The movement during the year ended December 31, 2025 and 2024, relating to those debentures, was as follows:

	2025 December 31	**2024** December 31
Balance at the beginning of the year	450,000	563,388
Maturity repayment	–	(230,000)
Interest and accretion of debentures	–	94,939
Amortization of financing issuance costs	–	21,673
Balance at the end of the year	450,000	450,000

As at December 31, 2025, $9,770 of interest payable on debenture is recorded in accounts payable, advances and accrued liabilities (December 31, 2024 - $21,834).

15.2 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)

15 - 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 15.4), 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 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 year ended December 31, 2025.

The movement during the year ended December 31, 2025 and 2024, relating to those debentures, was as follows:

	2025 December 31	**2024** December 31
Balance at the beginning of the year	214,737	363,344
Maturity repayment	(120,000)	–
Balance at inception or beginning of the year	94,737	363,344
Conversion of debentures	(48,804)	(238,104)
Interest and accretion of debentures	3,601	74,642
Amortization of financing issuance costs	466	14,855
Balance at the end of the year	50,000	214,737

As at December 31, 2025, $2,469 of interest payable on debenture is recorded in accounts payable, advances and accrued liabilities (December 31, 2024 - $18,043).

15.3 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 year ended December 31, 2025 and 2024, relating to those debentures, was as follows:

	2025 December 31	**2024** December 31
Balance at the beginning of the year	2,001,270	1,757,317
Interest and accretion of debentures	309,383	237,987
Amortization of financing issuance costs	5,966	5,966
Balance at the end of the year	2,316,619	2,001,270

As at December 31, 2025, $241,193 of interest payable on debenture is recorded in accounts payable, advances and accrued liabilities (December 31, 2024 - $24,250).

(In Canadian dollars)

15 - DEBENTURES (CONTINUED)

15.4 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.

The Company used the residual value method to allocate the principal amount of the debentures between the liability, the equity component of the
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, 2024, 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, 2024.

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 year ended December 31, 2025 and 2024, relating to those debentures, was as follows:

	2025 December 31	2024 December 31
Balance at the beginning of the year	2,039,815	5,221,201
Conversion of debentures	(1,757,257)	(3,423,738)
Interest and accretion of debentures	53,852	242,352
Balance at the end of the year	336,410	2,039,815

As at December 31, 2025, $15,677 of interest payable on debentures is recorded in accounts payable, advances and accrued liabilities (December 31, 2024 - $16,250).

15.5 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 year ended December 31, 2025 and 2024, relating to those debentures, was as follows:

	2025 December 31	2024 December 31
Balance at the beginning of the year	544,405	–
Addition	–	480,543
Balance at inception or beginning of the year	544,405	480,543
Interest and accretion of debentures	83,021	63,862
Balance at the end of the year	627,426	544,405

As at December 31, 2025, $162,410 of interest payable on debentures is recorded in accounts payable, advances and accrued liabilities (December 31, 2024 - $500).

15.6 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 16). In addition, $1,110,000 worth of units were used to repay some of the short term loan holders (note 18).

(In Canadian dollars)

15 - 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 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 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 year ended December 31, 2025 and 2024, relating to those debentures, was as follows:

	2025 December 31	**2024** December 31
Balance at the beginning of the year	863,944	–
Addition	–	1,610,000
Issuance costs allocated to the debenture component	–	(186,884)
Conversion component of convertible debenture	–	(102,505)
Contributed surplus for the warrants	–	(497,123)
Balance at inception or beginning of the year	863,944	823,488
Conversion of debentures	(236,765)	(134,001)
Interest and accretion of debentures	114,663	119,388
Amortization of financing issuance costs	39,886	55,070
Balance at the end of the year	781,728	863,944

As at December 31, 2025, $58,127 of interest payable on debenture is recorded in accounts payable, advances and accrued liabilities (December 31, 2024 - $80,787).

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 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.

(In Canadian dollars)

15 - DEBENTURES (CONTINUED)

15.7 Debenture issuance between February 21 and 26, 2024

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.

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 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 year ended December 31, 2025 and 2024, relating to those debentures, was as follows:

	2025 December 31	**2024** December 31
Balance at the beginning of the year	326,979	–
Addition	–	1,000,000
Issuance costs allocated to the debenture component	–	(66,760)
Conversion component of convertible debenture	–	(63,329)
Contributed surplus for the warrants	–	(301,143)
Balance at inception or beginning of the year	326,979	568,768
Conversion of debentures	–	(300,408)
Interest and accretion of debentures	55,841	46,438
Amortization of financing issuance costs	11,016	12,181
Balance at the end of the year	393,836	326,979

As at December 31, 2025, $21,656 of interest payable on debenture is recorded in accounts payable, advances and accrued liabilities (December 31, 2024 - $24,750).

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 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.

(In Canadian dollars)

15 - DEBENTURES (CONTINUED)

15.8 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 16). 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 13).

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 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

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 25.4) with an equivalent amount that was reversed by the Company from accounts payable, advances and accrued liabilities (refer to note 13) as at December 31, 2024.

The movement during the year ended December 31, 2025 and 2024, relating to those debentures, was as follows:

	2025 December 31	**2024** December 31
Balance at the beginning of the year	535,325	–
Addition	–	2,015,000
Issuance costs allocated to the debenture component	–	(97,549)
Conversion component of convertible debenture	–	(161,743)
Contributed surplus for the warrants	–	(598,239)
Balance at inception or beginning of the year	535,325	1,157,469
Conversion of debentures	–	(726,090)
Interest and accretion of debentures	87,910	88,123
Amortization of financing issuance costs	9,170	15,823
Balance at the end of the year	632,405	535,325

(In Canadian dollars)

15 - DEBENTURES (CONTINUED)

As at December 31, 2025, $92,926 of interest payable on debenture is recorded in accounts payable, advances and accrued liabilities (December 31, 2024 - $22,969).

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 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.

16 - 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 quarter, the Company successfully negotiated a monthly repayment schedule with certain bondholders to ensure full repayment by the end of 2025. The Company was not able to repay in full as of December 31, 2025. Interest expense has been accrued in accordance with the original terms of the bonds for the year ended December 31, 2025. During the period ended December 31, 2025, the Company reclassed a portion of the bonds $100,000 that was previously presented under accounts, payable, advances and accrued liabilities.

The movement during the year ended December 31, 2025 and 2024, relating to these bonds, were as follows:

	2025 December 31	**2024** December 31
Balance at the beginning of the year	230,000	400,000
Adjustment	100,000	–
Payment	(157,500)	(170,000)
Balance at the end of the year	172,500	230,000

17 - 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, 2025. 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 December 31, 2025 and 2024 was $13,200.

18 - SHORT TERM LOANS

During the year ended December 31, 2024, the Company entered into loan agreements totalling $1,993,500 at an interest rate of 10% and maturing between June 29, 2024 and January 31, 2025. The Company was in the process of negotiating an extension with some of the holders. During the year ended December 31, 2024, total amount of $2,060,000 was repaid from the proceeds of the various private placements and $155,000 was repaid in cash consideration. These repayments were applied against the previously outstanding balance of promissory notes, resulting in a remaining outstanding balance of $1,188,500. During the year ended December 31, 2025, the Company entered into two short terms loan agreements with certain investor for a total amount of $350,000, with an annual interest rate of 10% and maturing on February 14, 2026. During the same period, a cumulative amount of $1,238,500 was repaid from the proceeds of the private placement closed on March 13, 2025. The balance outstanding of the short term loan as at December 31, 2025 was $300,000.

19 - LOAN PAYABLE

During the fourth quarter of 2024, the Company entered into another loan agreement totalling $416,016 with an insurance provider (Directors and Officers insurance) at an effective annual interest rate of 8.10% payable in ten instalments and maturing in October 1, 2025. This loan was a non-cash transaction, directly with the insurance provider. The balance outstanding of the loan as at December 31, 2024 was $416,016. 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. The balance outstanding of the new loan as at December 31, 2025 was $71,938.

20 - CREDIT FACILITY

On July 22, 2024, the Company announced that it has secured a credit facility of up to $5,000,000, allowing the Company drawdown up to $5,000,000 over a twelve-month period by sending drawdown notices to a lender. No drawdown notice can exceed $500,000 and there must be at least five business days between each drawdown notice. The Company will pay interest at an annual rate of 10% on any amount drawn from the Credit Facility and will have up to twenty-four months from the date of the drawdown notice to repay the amount advanced by a lender. The Credit Facility is guaranteed by assets pledged by a collection of the Company shareholders in a separate collateral agreement between a lender and the shareholders. As at December 31, 2024, the Company has received drawdown for a total of $600,000.

During the year ended December 31, 2025, a total of $295,426 was repaid on the outstanding credit facility. From the amount repaid, $45,000 was paid in cash and the remaining amount was repaid from the proceeds of the March 13, 2025 private placement. The balance outstanding of the credit facility as at December 31, 2025 was $Nil (December 31, 2024 - $295,426).

21 - SHAREHOLDERS' EQUITY

21.1 Authorized share capital

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

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

a) During the first quarter of 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 services.

b) During the first quarter of 2025 and as mentioned in note 15.2, 15.4 and 15.6, 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 issued 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 $55,970 and recorded as issuance of broker compensation warrants in the 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 proceeds were used to repay a short term loan (refer to note 18), and $250,426 worth of proceeds were used to repay a credit facility (refer to note 20).

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

a) On January 3, 2024, the Company issued 269,814 common shares to the business managers of the Company's subsidiary Steelchain, in accordance with the amended assets purchase and performance agreement of the Steelchain acquisition effective from October 1, 2022. The payment in shares was for the performance based compensation up to December 31, 2023 totalling $539,628 which was settled in common shares at the minimum price of $2 per share.

21 - SHAREHOLDERS' EQUITY (CONTINUED)

b) During the year ended December 31, 2024 and as mentioned in note 15.2, 15.4, 15.6, 15.7 and 15.8, convertible debentures having a nominal value of $7,185,000 and an amortized costs of $4,822,342 were converted into 35,400,000 common shares. The Company recorded a total of $5,388,890 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 $566,548.

c) On September 4, 2024, the Company issued 39,075,000 units of shares and warrants for gross contractual proceeds of $3,907,500 (net proceeds of $3,668,500 after related expenses). Each unit sold comprised of one common share and one common share purchase warrant exercisable into Company common shares at $0.20 per share for a period of 36 months from the date of issuance. Consequently $2,892,341 and $915,159 were credited to contributed surplus and capital stock respectively, and $100,000 was recorded to equity to issue in the consolidated statement of changes in equity. The fair value of the 2,054,000 finder's warrants was calculated at $156,031 and recorded as issuance of broker compensation warrants in the 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 September 4, 2024, $710,000 worth of units were repaid to a short term loan (refer to note 18). In addition, $60,000 worth of units were repaid to short-term advances previously received from third party investor (refer to note 13).

d) On November 15, 2024, the Company announced to issue 8,650,000 units of shares and warrants for gross contractual proceeds of $865,000 (net proceeds of $830,000 after related expenses). Each unit sold comprised of one common share and one common share purchase warrant exercisable into Company common shares at $0.20 per share for a period of 36 months from the date of issuance. Consequently, $614,949 and $250,051 were credited to contributed surplus and capital stock respectively. The fair value of the 280,000 finder's warrants was calculated at $19,906 and recorded as issuance of broker compensation warrants in the 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 November 15, 2024, $140,000 worth of units were given as an exchange to a short term loan (refer to note 18).

e) On November 29, 2024, the Company announced to issue 11,010,000 units of shares and warrants for gross contractual proceeds of $1,101,000 (net proceeds of $1,085,000 after related expenses). Each unit sold comprised of one common share and one common share purchase warrant exercisable into Company common shares at $0.20 per share for a period of 36 months from the date of issuance. Consequently, $778,605 and $322,395 were credited to contributed surplus and capital stock respectively. The fair value of the 60,000 finder's warrants was calculated at $4,243 and recorded as issuance of broker compensation warrants in the 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 November 29, 2024, $230,000 worth of units were given as an exchange to convertible debenture which were expired on December 23, 2024 (refer to note 15.1). As at December 31, 2024, the balance of subscriptions receivable of shares and warrants from this issuance recorded in the debtors was $300,000 (December 31, 2023 - $Nil).

f) On December 12, 2024, the Company announced to issue 1,900,000 units of shares and warrants for gross contractual proceeds of $190,000 (net proceeds of $182,800 after related expenses). Each unit sold comprised of one common share and one common share purchase warrant exercisable into Company common shares at $0.20 per share for a period of 36 months from the date of issuance. Consequently, $117,939 and $72,061 were credited to contributed surplus and capital stock respectively. The fair value of the 72,000 finder's warrants was calculated at $4,469 and recorded as issuance of broker compensation warrants in the 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 December 12, 2024, $100,000 worth of units were given as an exchange to a short term loan (refer to note 18).

g) Between July 22, 2024, and August 12, 2024, the Company issued a total of 18,000,000 shares as payment to consultants and services providers for a total of $1.100,000 worth of debt. Out of the total debt repaid by shares, an expenses of $900.000 have been recorded as consulting fees in the consolidated statements of comprehensive profit and loss.

(In Canadian dollars)

21 - SHAREHOLDERS' EQUITY (CONTINUED)

21.4 Warrants

The outstanding warrants movement as at December 31, 2025 and December 31, 2024 and the respective changes during the year, are summarized as follows:

	December 31, 2025		December 31, 2024	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Outstanding, beginning of year	144,459,996	0.35	55,054,996	0.66
Granted	74,887,340	0.15	92,664,900	0.22
Expired	(51,795,096)	0.58	(3,259,900)	2.00
Outstanding and exercisable, end of year	167,552,240	0.19	144,459,996	0.35

As at December 31, 2025, and December 31, 2024, the number of outstanding warrants which could be exercised for an equivalent number of common shares.

	December 31, 2025		December 31, 2024	
	Number	Exercise price	Number	Exercise price
Expiration date				
January, 2025	–	–	3,510,000	2.00
January, 2025	–	–	221,250	2.00
June, 2025	–	–	4,291,846	0.16
August, 2025	–	–	10,392,000	0.50
August, 2025	–	–	40,000	0.50
August, 2025	–	–	30,500,000	0.50
September, 2025	–	–	2,840,000	0.50
February, 2026	10,732,260	0.25	10,732,260	0.25
February, 2026	4,966,170	0.25	4,966,170	0.25
February, 2026	1,699,830	0.25	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	60,000	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	–	–
March, 2027	1,600,000	0.15	–	–
	167,552,240		144,459,996	

The Company issued 304,000 broker warrants (Expiring November 2027) during the first quarter of 2025 due to delays in communication with the broker in order to complete the issuance before the end of the year 2024.

22 - 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)

22 - SHARE-BASED PAYMENTS (CONTINUED)

The outstanding options movement as at December 31, 2025 and December 31, 2024, are summarized as follows:

	December 31, 2025		December 31, 2024	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of year	2,706,440	2.26	3,379,098	2.04
Expired	(1,870,500)	1.33	(595,000)	1.01
Forfeited	(12,149)	4.38	(77,658)	2.27
Outstanding at the end of year	823,791	4.33	2,706,440	2.26
Exercisable at the end of year	823,791	4.33	2,697,849	2.26

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	0 years and 9 months
January 1, 2027	7.50	8,126	0 years and 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	

The table below summarizes the information related to outstanding share options as at December 31, 2024.

Maturity date	Range of exercise price	Number of options	Weighted average remaining contractual life (years)
June 11, 2025	1.00	745,500	5 months
October 28, 2025	1.50	1,075,000	9 months
November 6, 2025	2.70	50,000	10 months
March 22, 2026	5.50	55,000	1 years and 2 months
July 7, 2026	4.10	700,000	1 years and 6 months
October 28, 2026	11.50	25,000	1 years and 9 months
January 1, 2027	7.50	9,312	2 years and 0 months
February 1, 2027	5.60	4,256	2 years and 1 months
April 1, 2027	4.16	8,865	2 years and 3 months
July 1, 2027	1.65	1,971	2 years and 6 months
December 1, 2027	0.85-1.32	10,055	2 years and 11 months
February 1, 2028	0.95	21,481	3 years and 1 months
		2,706,440	

During the year ended December 31, 2025, the Company recorded an $258 related to share-based payments (December 31, 2024 - $12,564) to the consolidated statements of comprehensive profit and loss and contributed surplus.

23 - INCOME TAXES

Significant tax expense (income) components

The significant tax expense (income) components are detailed as follows:

	2025 December 31	2024 December 31
Current tax expense		
Current taxes	–	9,141
Change in estimate related to prior period	(1,404,526)	(402,192)
Total current tax expense	(1,404,526)	(393,051)
Deferred tax expense (income)		
Origination and reversal of temporary differences	(2,950,475)	(14,932,885)
Change in estimate related to prior period	12,067	(1,344,777)
Change in unrecognized temporary differences	3,105,935	14,815,773
Total deferred tax income	167,527	(1,461,889)
Total tax expense (income)	(1,236,999)	(1,854,940)

(In Canadian dollars)

23 - INCOME TAXES (CONTINUED)

Relationship between expected tax expense and tax expense (income)

The relationship between the expected tax expense calculated on the basis of the combined federal and provincial tax rate in Canada and the tax expense presented on the consolidated statements of comprehensive income is as follows:

	2025 December 31	**2024** December 31
Loss before income taxes	(10,342,489)	(61,116,762)
Expected tax expense (income) calculated on the basis of the combined federal and provincial tax rate in Canada of 26.5% (26.5% in 2025)	(2,740,760)	(16,195,942)
Adjustments for the following		
Share-based payments	68	2,833
Difference in foreign tax rate	5,944	731,951
Other non-deductible expenses	(232,425)	148,286
Change in unrecognized temporary differences	3,105,935	14,815,773
Change in estimate related to prior periods	(1,387,092)	(1,344,777)
Other	11,331	(13,064)
Tax expense (income)	(1,236,999)	(1,854,940)

Unrecognized temporary differences

The Company has the following temporary differences and tax losses for which no deferred tax was recognized:

			December 31, 2025
	Federal	Provincial	Foreign
Unrecognized deductible temporary differences			
Intangible assets	2,477,171	2,477,171	–
Financing and share issue costs	1,053,644	1,053,644	–
Scientific research and development expenses	1,747,356	–	–
Non-capital losses	79,508,843	79,460,627	13,835,066
Accounts payable, accruals and other	–	–	58,263,135
	84,787,014	82,991,442	72,098,201

			December 31, 2024
	Federal	Provincial	Foreign
Unrecognized deductible temporary differences			
Intangible assets	2,477,171	2,477,171	–
Financing and share issue costs	2,385,897	2,385,897	–
Scientific research and development expenses	1,747,356	–	–
Non-capital losses	70,154,279	70,106,063	20,676,223
Accounts payable, accruals and other	–	–	52,444,200
	76,764,703	74,969,131	73,120,423

Movement of the foreign deferred tax assets (liabilities) in 2025

	2025 January 1	Non-cash transaction	Business acquisition	Results	**2025** December 31
Loans receivable	63,368	–	–	(63,399)	(31)
Accounts receivable	(879,194)	–	–	–	(879,194)
Intangible assets	(155,772)	–	–	–	(155,772)
Non-capital losses	879,194	–	–	25,930	905,124
Accounts payable, advances and accrued liabilities	55,993	–	–	–	55,993
Right-of-use asset	(92,306)	–	–	86,244	(6,062)
Lease liability	128,717	–	–	(48,775)	79,942
	–	–	–	–	–

Movement of the foreign deferred tax assets (liabilities) in 2024

	2024 January 1	Non-cash transaction	Business acquisition	Results	**2024** December 31
Loans receivable	63,368	–	–	–	63,368
Accounts receivable	(1,631,111)	–	–	751,917	(879,194)
Intangible assets	(155,772)	–	–	–	(155,772)
Non-capital losses	–	–	–	879,194	879,194
Accounts payable, advances and accrued liabilities	55,993	–	–	–	55,993
Right-of-use asset	(251,063)	–	–	158,757	(92,306)
Lease liability	287,474	–	–	(158,757)	128,717
	(1,631,111)	–	–	1,631,111	–

(In Canadian dollars)

23 - INCOME TAXES (CONTINUED)

Movement of the canadian deferred tax liabilities in 2025

	2025 January 1	Adjustment of prior year	Charged to equity	Results	**2025** December 31
Property and equipment	(258,970)	(17,433)	–	276,403	–
Intangible assets	58,467	–	–	(58,466)	1
Lease liabilities	581,008	–	–	(581,008)	–
Non-capital losses	–	–	–	150,899	150,899
Loans payable	(523,742)	–	167,526	205,316	(150,900)
Accounts payable, advances and accrued liabilities	143,237	–	–	(143,237)	–
	–	(17,433)	167,526	(150,093)	–

Movement of the canadian deferred tax liabilities in 2024

	2024 January 1	Non-cash transaction	Charged to equity	Results	**2024** December 31
Property and equipment	(394,375)	–	–	135,405	(258,970)
Intangible assets	8,746	–	–	49,721	58,467
Lease liabilities	698,961	–	–	(117,953)	581,008
Non-capital losses	505,334	93,066	–	(598,400)	–
Loans payable	(856,953)	(93,066)	169,222	257,055	(523,742)
Accounts payable, advances and accrued liabilities	38,287	–	–	104,950	143,237
	–	–	169,222	(169,222)	–

As at December 31, 2026, the Company has non-capital losses that are available to reduce income taxes in future years and for which no deferred tax asset has been recognized in the consolidated statements of financial position. These losses expire in the following years:

	Federal	Provincial	Foreign
2027	–	–	1,010,653
2028	–	–	7,833,707
2029	–	–	3,122,070
2030	152,796	152,796	1,868,636
2031	1,081,723	1,051,288	–
2032	1,730,827	1,715,690	–
2033	506,261	495,001	–
2034	961,557	963,040	–
2035	1,339,690	3,334,281	–
2036	1,581,746	1,575,100	–
2037	2,153,868	2,157,330	–
2038	1,151,230	1,152,584	–
2039	1,704,998	1,708,917	–
2040	5,728,275	5,732,384	–
2041	6,549,631	6,549,181	–
2042	15,417,343	13,424,167	–
2043	14,515,123	14,515,094	–
2044	15,009,782	15,009,782	–
2045	9,923,992	9,923,992	–
	79,508,842	79,460,627	13,835,066

24 - 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 $356,182 as at December 31, 2025 (December 31, 2024 - equity of $3,716,242).

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)

25 - FINANCIAL INSTRUMENTS

25.1 Classification of financial instruments

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
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 loans	–	300,000	300,000
Loan payable	–	71,938	71,938
	–	27,245,671	27,245,671

As at December 31, 2024, the carrying amount of financial assets and financial liabilities were as follows:

			December 31, 2024
	Assets and liabilities carried at fair value	Assets and liabilities carried at amortized cost	Total carrying value
Financial assets			
Cash	–	890,085	890,085
Restricted Cash	–	3,840	3,840
Debtors	–	4,418,440	4,418,440
Loans receivable	–	18,245,886	18,245,886
Deposit	–	86,442	86,442
Investments	985,500	–	985,500
Other current assets	–	7,733,174	7,733,174
	985,500	31,377,867	32,363,367
Financial liabilities			
Accounts payable, advances and accrued liabilities	–	20,014,827	20,014,827
Bonds	–	230,000	230,000
CEBA Loan	–	13,200	13,200
Debentures	–	6,976,475	6,976,475
Short term loans	–	1,188,500	1,188,500
Loan payable	–	470,654	470,654
Credit facility	–	295,426	295,426
	–	29,189,082	29,189,082

25.2 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.

25 - FINANCIAL INSTRUMENTS (CONTINUED)

25.3 Financial risks

25.3.1 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 and debtors. The credit risk is not significant for other financial instruments.

As at December 31, 2025, 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 reclassification of presentation from Stage 1 to Stage 2 or 3 for product "Credit & Supply Chain Finance Credit" was required as of December 31, 2024 due to increased in credit risk based on the increased risk of default by the underlying borrowers, please refer to the Note 6 - LOANS RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES. As of December 31, 2025, the reflected impact of the increased in credit risk was recorded through expected credit losses of $964,054 (December 31, 2024 - $353) in the 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 apply the general approach model for ECL for its loans receivable portfolio as explained in the Note 6 and in the Note 4.11.

The Company's exposure to credit risk for the financial assets under the simplified approach 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. 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.

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 aims to ensure that the Company maintains sufficient cash resources and access to financing to meet its obligations as they come due. The Company's objective is to maintain a cash position adequate to cover the next twelve months of forecasted obligations (note 2).

The Company conducts substantially all of its operations through subsidiaries located in the People's Republic of China ("PRC"), with the exception of Cubeler Inc. (Canada), Tenoris3 Inc. (Canada), Cubeler U.S. Inc. (United States), and Asia Synergy Ltd. (Hong Kong). As a result, the Company is subject to the PRC's regulatory framework governing the movement of capital into and out of China. The PRC government imposes strict controls and approval processes on foreign currency conversions, profit repatriations, intercompany loans, and capital contributions between PRC subsidiaries and their foreign parent companies. These controls may limit, delay, or restrict the Company's ability to:

1) repatriate earnings or cash generated by its PRC subsidiaries to Canada;
2) convert Renminbi ("RMB") into foreign currencies; and
3) inject capital or provide funding from the parent company into its PRC subsidiaries.

If the Company is unable to repatriate funds from China in a timely manner, it may experience delays in deploying capital for corporate purposes outside the PRC, including funding operations, servicing debt, or executing strategic initiatives. Such delays could adversely affect the Company's liquidity position, operating performance, revenue generation, and profitability. In these circumstances, the Company may be required to seek interim or bridge financing to meet its obligations. There is no assurance that such financing would be available on favorable terms, or available at all. A prolonged inability to repatriate funds or secure alternative financing, if required, would have a material adverse effect on the Company's liquidity, financial condition, and overall business operations.

(In Canadian dollars)

25 - FINANCIAL INSTRUMENTS (CONTINUED)

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

			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 loans	300,000	–	–
Loan payable	71,938	–	–
	22,157,247	3,683,000	2,315,000

			December 31, 2024
	Current		Long-term
	Within 6 months	6 to 12 months	More than 12 months
Accounts payable, advances and accrued liabilities	20,014,827	–	–
Bonds	230,000	–	–
CEBA loan	13,200	–	–
Debentures	670,000	5,933,000	2,690,000
Short term loans	1,188,500	–	–
Loan payable	169,772	300,882	–
Credit facility	–	–	295,426
	22,286,299	6,233,882	2,985,426

25.4 Finance costs

The breakdown of finance costs during the year ended December 31, 2025 and 2024 is as follows:

	2025 December 31	**2024** December 31
Interest on lease liabilities (note 14)	157,113	264,794
Interest on debentures and bonds	696,965	1,051,897
Interest on advances	53,250	17,657
Interest on credit facility	7,386	25,040
Interest on finance lease	(3,827)	(3,613)
Accretion on debentures and bonds	708,271	967,731
Interest on debentures relinquished (1)	–	(579,364)
Interest, loan payable	21,884	28,067
Interest, short term loan	28,508	94,221
Total interest expense	1,669,550	1,866,430
Interest income	(5,198)	(20,837)
Miscellaneous	101,417	95,002
Total Finance costs	1,765,769	1,940,595

(1) During the year ended December 31, 2024, the holders of convertible debentures waived their right to receive the interest due to them by the Company up until the conversion dates or December 31, 2024. In total, $807,352 of interest was relinquished including $227,988 from Mr. Joseph and Mr. Qiu which both agreed to have the Company use the amount of interest payable on their convertible debentures applied against their respective outstanding loans and the remaining balance totalling $579,364 was derecognised from the liability and recorded to the consolidated statements of comprehensive profit and losses at December 31, 2024.

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 and conversion option are level 3 under the fair value hierarchy.

(In Canadian dollars)

25 - 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 $980,000 (i.e. RMB ¥5,000,000), determined under the cost method, represents a reasonable approximation of the fair value of the investment in AVC as of December 31, 2025. 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 $12,631 and $63,824 respectively in the three and twelve-month periods ended on December 31, 2025 which is not considered significant.

26 - 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:

	2025 December 31	**2024** December 31 **(Restated - Note 32)**
Salaries and fringe benefits	1,607,279	1,656,269
	1,607,279	1,656,269
Revenues (1)	531,849	–
	531,849	–

(1) During the year ended December 31, 2025, revenue from a related-party customer amounted to $531,849 compared to $Nil for the same period in 2024 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 December 31, 2025, and 2024 the consolidated statements of financial position includes the following amounts with related parties:

	2025 December 31	**2024** December 31 **(Restated - Note 32)**
Advances paid to a Director, no interest	–	1,809
Other current assets, no interest (1)	–	7,733,174
Tatal amounts owed to the Company by related parties	–	7,734,983
Advances received from a company owned by a Director, no interest (2)	1,217,740	720,983
Debentures , with interest (1)	2,777,513	2,407,008
Debentures, interest payable (3)	463,463	181,463
Trade accounts payable and accruals to Directors and key management personnel (4)	1,424,185	1,327,489
Total amount owed to related parties by the Company	5,882,901	4,636,943

(1) In September 2023, the Company transferred approximately $9,400,000 to a bank account in China belonging to a director and executive officer of the Company. The primary source of these funds is a series of private placements, as described in Debentures (note 15). The funds were transferred to Mr. Qiu's bank account in anticipation that the funds would be used by Mr. Qiu as the registered capital to establish a new data science subsidiary for the Company in China to provide economic and industrial data aggregation and data analysis services. Mr. Qiu transferred control of the bank account in question to a subsidiary of the Company while the funds were in his account. During the fourth quarter of 2023, the previously estimated amount required to establish the Company's data science subsidiary in China was revised downward and approximately $1,700,000 from the bank account was sent to the Company's Canadian bank account, leaving a balance of approximately $7,733,174 in the account, which was recorded under "Other current assets" in the Company's Q4 2024 Financial Statements (please see Note 8). During the first quarter of 2025, it was determined that the Company would not need to create a new data science subsidiary in order to provide its intended economic and industrial data aggregation and data analysis services. Therefore, the approximately $7,733,174 still in Mr. Qiu's bank account at the time was transferred to the Company Canadian bank account between May 2025 and August 2025, reducing the balance reported by the Company under "Other current assets" to $Nil. The amortized cost of the debentures due to related parties totalling $2,777,513 are recorded in Debentures (note 15).

26 - RELATED PARTY TRANSACTIONS (CONTINUED)

(2) 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 and 2024, 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 year ended December 31, 2025, DJ Tech provided $500,780 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 December 31, 2025 is $1,217,740 (December 31, 2024 - $720,983) 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 13).

(3) As at December 31, 2025, $463,463 of debentures, interest payable due to related parties are recorded in accounts payable, advances and accrued liabilities (note 13).

(4) As at December 31, 2025, $1,424,185 ($1,327,489 - December 31, 2024) payable to Directors, Officers and key management personnel was recorded in accounts payable, advances and accrued liabilities in note 13 of the Company's Consolidated Financial Statements for the years ended December 31, 2025 and 2024. 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 year ended December 31, 2025. 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 December 31, 2025, an amount of $136,545 ($91,344 - December 31, 2024) 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 13 of the Company's Consolidated Financial Statements for the year ended December 31, 2025 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 6 – 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.

(In Canadian dollars)

26 - RELATED PARTY TRANSACTIONS (CONTINUED)

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.

27 - 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.

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.

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 years ended December 31, 2025, and 2024, are as follows:

					December 31, 2025
	Fintech Platform	Financial Services	Other	Elimination	Total
Revenues					
Financial service revenue	–	1,281,116	–	–	1,281,116
Fees and sales	813,388	81,606	–	–	894,994
Supply chain services	8,702,533	–	–	–	8,702,533
Other rental income from a sublease	–	–	52,002	–	52,002
Inter-segment	440,151	–	–	(440,151)	–
Total revenues	9,956,072	1,362,722	52,002	(440,151)	10,930,645
Expenses					
Depreciation and amortization	630,122	70,085	220,087	–	920,294
Finance costs	29,717	20,726	1,715,326	–	1,765,769
Expected credit loss	186,624	1,123,745	–	–	1,310,369
Impairment charge	–	–	–	–	–
Cost of service, supply chain	8,330,792	–	–	–	8,330,792
All other expenses	2,504,872	482,430	6,398,759	(440,151)	8,945,910
Total expenses	11,682,127	1,696,986	8,334,172	(440,151)	21,273,134
Profit (loss) before tax	(1,726,055)	(334,264)	(8,282,170)	–	(10,342,489)
Income tax (recovery)	(1,404,526)	–	167,527	–	(1,236,999)
Net profit (loss)	(321,529)	(334,264)	(8,449,697)	–	(9,105,490)
Non-controlling interest	477,433	(77,020)	–	–	400,413
Net profit (loss) attributable to:					
Owners of the parent	(798,962)	(257,244)	(8,449,697)	–	(9,505,903)
Segmented assets	12,380,314	18,782,644	(876,026)	–	30,286,932

(In Canadian dollars)

27 - SEGMENT REPORTING (CONTINUED)

					December 31, 2024
	Fintech Platform	Financial Services	Other	Elimination	Total
Revenues					
Financial service revenue	–	787,199	–	–	787,199
Fees and sales	989,693	380,618	–	–	1,370,311
Supply chain services	643,389	–	–	–	643,389
Other rental income from a sublease	–	–	42,871	–	42,871
Inter-segment	646,302	–	–	(646,302)	–
Total revenues	2,279,384	1,167,817	42,871	(646,302)	2,843,770
Expenses					
Depreciation and amortization	7,191,638	75,832	334,003	–	7,601,473
Finance costs	80,810	28,027	1,831,758	–	1,940,595
Expected credit loss	31,723,573	671,232	–	–	32,394,805
Change in fair value of contingent consideration	(699,514)	–	(572,391)	–	(1,271,905)
Change in fair value of debentures conversion options	–	–	(80,080)	–	(80,080)
Impairment charge	7,192,717	–	–	–	7,192,717
Cost of service, supply chain	89,111	–	–	–	89,111
Forgiveness of CEBA loan	(20,000)	–	–	–	(20,000)
Loss on sublease	158,203	–	–	–	158,203
Gain on disposition of property and equipment	(33,622)	–	–	–	(33,622)
All other expenses	5,793,372	824,251	10,017,914	(646,302)	15,989,235
Total expenses	51,476,288	1,599,342	11,531,204	(646,302)	63,960,532
Profit (loss) before tax	(49,196,904)	(431,525)	(11,488,333)	–	(61,116,762)
Income tax (recovery)	(213,982)	(383,914)	(1,257,044)	–	(1,854,940)
Net profit (loss)	(48,982,922)	(47,611)	(10,231,289)	–	(59,261,822)
Non-controlling interest	(1,618,042)	310,348	–	–	(1,307,694)
Net profit (loss) attributable to: owners of the parent	(47,364,880)	(357,959)	(10,231,289)	–	(57,954,128)
Segmented assets	10,954,406	19,459,453	8,181,412	–	38,595,271

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

	2025	2024
	December 31	December 31
	Non-current Assets	Non-current Assets
China	2,121,271	3,413,212
Canada	86,724	1,987,480
	2,207,995	5,400,692

(In Canadian dollars)

28 - NON-CONTROLLING INTERESTS

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

Entities	**2025** December 31 % ownership and voting rights held by NCIs	**2024** 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	**2025** December 31	**2024** December 31	**2025** December 31	**2024** December 31
Asia Synergy Supply Chain Ltd. ("ASSC")	597,935	(1,118,056)	790,027	192,090
Asia Synergy Financial Capital Ltd. ("ASFC") (1)	(45,580)	431,777	12,175,642	12,221,223
Wechain (Nanjing) Technology Service Co., Ltd. ("WECHAIN")	148,374	(306,889)	–	(148,374)
Kailifeng New Energy Technology Co., Ltd. ("KALIFENG")	(255,681)	(227,044)	731,553	987,237
Shanghai Xinhuizhi Supply Chain Management Ltd. ("ASAC")	3,532	2,168	2,045	(1,487)
Jiangsu Supairui IOT Technology Co., Ltd. ("ASTH") (1)	(3,264)	(44,467)	(109,634)	(106,372)
	445,316	(1,262,511)	13,589,633	13,144,317

(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 year ended December 31, 2025 and 2024.

(In Canadian dollars)

28 - 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	
	2025 December 31	**2024 December 31**	**2025 December 31**	**2024 December 31**	**2025 December 31**	**2024 December 31**	**2025 December 31**	**2024 December 31**	**2025 December 31**	**2024 December 31**	**2025 December 31**	**2024 December 31**	**2025 December 31**	**2024 December 31**
Current assets	2,112,437	2,313,508	25,768,410	25,987,043	–	494,954	1,842,542	2,032,719	6,775	6,815	11,520	11,711	29,741,684	30,846,750
Non-current assets	–	54	164,750	218,311	–	108,812	239,458	491,584	296	298	(212)	2,577	404,292	821,636
	2,112,437	2,313,562	25,933,160	26,205,354	–	603,766	2,082,000	2,524,303	7,071	7,113	11,308	14,288	30,145,976	31,668,386
Current liabilities	299,075	300,939	109,806	48,659	–	283,071	273,537	218,675	–	1	114,389	115,113	796,807	966,458
Non-current liabilities	51,057	67,111	264,474	295,206	–	600,205	928,110	1,049,763	–	4,928	443,522	465,722	1,687,163	2,482,935
	350,132	368,050	374,280	343,865	–	883,276	1,201,647	1,268,438	–	4,929	557,911	580,835	2,483,970	3,449,393
Equity attributable to owners of the parent	822,273	199,930	12,672,607	12,720,048	–	(154,430)	540,713	729,696	2,128	(1,547)	(438,536)	(425,487)	13,599,185	13,068,210
Non-controlling interests	790,027	192,090	12,175,642	12,221,223	–	(148,374)	731,553	987,237	2,045	(1,487)	(109,634)	(106,372)	13,589,633	13,144,317

	ASSC		ASFC		Wechain		Kailifeng		ASAC		ASTH (1)		Total	
	2025 December 31	**2024 December 31**	**2025 December 31**	**2024 December 31**	**2025 December 31**	**2024 December 31**	**2025 December 31**	**2024 December 31**	**2025 December 31**	**2024 December 31**	**2025 December 31**	**2024 December 31**	**2025 December 31**	**2024 December 31**
Revenue	–	986	1,281,116	787,200	30,657	40,091	14,232	125,383	–	–	–	–	1,326,005	953,659
Profit for the year attributable to the owners of the parent	626,419	(1,147,461)	(80,165)	323,014	(11,593)	(290,015)	(206,393)	(216,856)	2,464	(31)	13,271	(137,377)	344,003	(1,468,726)
Profit for the year attributable to NCIs	601,854	(1,102,463)	(77,018)	310,348	149,130	(278,642)	(279,238)	(202,564)	2,367	(29)	3,318	(34,344)	400,413	(1,307,694)
Profit (loss) for the year	1,228,273	(2,249,924)	(157,183)	633,362	137,537	(568,657)	(485,631)	(419,420)	4,831	(60)	16,589	(171,721)	744,416	(2,776,420)
Other comprehensive income ("OCI") for the year														
OCI attributable to the owners of the parent	(4,079)	(16,230)	32,721	126,386	(788)	(29,401)	17,412	(25,479)	1,212	2,287	(26,325)	(40,489)	20,153	17,074
OCI attributable to NCIs	(3,919)	(15,594)	31,438	121,429	(757)	(28,248)	23,557	(24,480)	1,165	2,198	(6,581)	(10,122)	44,903	45,183
OCI for the year	(7,998)	(31,824)	64,159	247,815	(1,545)	(57,649)	40,969	(49,959)	2,377	4,485	(32,906)	(50,611)	65,056	62,257
Total comprehensive income for the year attributable to the owners of the parent	622,340	(1,163,691)	(47,444)	449,400	(12,381)	(319,416)	(188,981)	(242,335)	3,676	2,257	(13,054)	(177,866)	364,156	(1,451,651)
Total comprehensive income for the year attributable to NCIs	597,935	(1,118,056)	(45,580)	431,777	148,374	(306,889)	(255,681)	(227,044)	3,532	2,168	(3,264)	(44,467)	445,316	(1,262,511)
Total comprehensive profit and loss for the year	**1,220,275**	**(2,281,747)**	**(93,024)**	**881,177**	**135,993**	**(626,305)**	**(444,662)**	**(469,379)**	**7,208**	**4,425**	**(16,318)**	**(222,333)**	**809,472**	**(2,714,162)**
Net cash used in operating activities	(7,121)	(88,838)	260,286	(1,444,001)	5,920	30,995	(440,085)	(171,183)	(96)	(9,585)	(243)	(60,337)	(181,339)	(1,742,949)
Net cash used in investing activities	1	35	8,163	(58,624)	249,154	(7,548)	79,264	(47,468)	10	(1,872)	55	55,447	336,647	(60,030)
Net cash from financing activities	–	–	(28,999)	(53,203)	(277,032)	(19,015)	112,407	764,180	–	9,879	–	22,666	(193,624)	724,507
Foreign exchange differences	7,113	76,711	(145,425)	1,486,638	25,357	(23,699)	(2,289)	(610)	55	(152)	185	(31,299)	(115,004)	1,507,589
	(7)	**(12,092)**	**94,025**	**(69,190)**	**3,399**	**(19,267)**	**(250,703)**	**544,919**	**(31)**	**(1,730)**	**(3)**	**(13,523)**	**(153,320)**	**429,117**

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

29 - 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 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.

30 - ECONOMIC DEPENDANCE

During the year ended December 31, 2024, the Company generates approximately 60% (included 2 customers over 10% concentration accounted for 32% and 14% respectively) of its revenues from four customers and partners with one financial institution for capital support when leveraging the deposits made for transactions on platforms (refer to note 9.2). Management has determined that the Company is exposed to a significant concentration of credit risk due to its reliance on four key customers. Should these customers or financial institutions substantially change their dealings 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. On December 31, 2024, amounts due from these customers totaled approximately $271,280 representing 70% of total accounts receivable, net of expected credit losses.

During the year ended December 31, 2025, the Company generates approximately 80% 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 December 31, 2025, amounts due from this customer represented 92% of total accounts receivable, net of expected credit losses.

The Company relies on two 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 two suppliers (FY2025 - $8,330,792).

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.

31 - SUBSEQUENT EVENTS

31.1 Dismissal of the U.S. class action lawsuit

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.

31.2 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.

32 - RESTATEMENT OF COMPARATIVE FIGURES

Subsequent to the issuance of the audited consolidated financial statements for the fiscal year ended December 31, 2024, management determined that certain disclosures needed to be revised in the notes to the consolidated financial statements in order to fully comply with applicable disclosure requirements under IFRS Accounting Standards. As a result, the Company has amended the comparative figures of the year ended December 31, 2024. The nature of the amended disclosures is summarized below:

- Expanded disclosure confirming the judgments applied in determining control over entities subject to nominee shareholder arrangements.
- Reclassification of presentation of loans receivable without any financial impact to the consolidated statement of comprehensive profit and loss to higher stages based on management's assessment under IFRS 9, please refer to Note 6.
- Expanded disclosure regarding the guarantor liquidity and capacity and the gross carrying amount of the loans receivable.
- Expanded disclosure regarding the accounts receivable aging matrix internal credit risk exposure in Note 7.
- Expanded and reclassification of related-party disclosures in Note 26 Related party transactions of the audited consolidated financial statements for the year ended December 31, 2024, to provide additional clarity and transparency.

These revisions relate solely to disclosure and presentation reclassification.