

Tenet Fintech Group Inc.

**Condensed Interim Consolidated
Financial Statements (Unaudited)**
**For the three and six-month periods ended
June 30, 2026, and 2025**



Financial Statements

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

For the three and six-month periods ended June 30, 2026, and 2025

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

(Unaudited)

	Note	Three-month periods ended June 30		Six-month periods ended June 30	
		2026	2025	2026	2025
Revenues		52,785,664	433,570	64,323,484	612,731
Expenses					
Cost of service		47,354,661	128,311	57,264,493	128,311
Software delivery services		23	5,755	1,686	13,580
Salaries and fringe benefits		692,426	1,405,817	1,669,213	2,795,602
Service fees		10,040	8,434	10,040	26,079
Board remuneration		37,500	37,500	75,000	75,000
Consulting fees		12,210	11,478	24,096	265,816
Outsourced services, software and maintenance		55,232	(181,146)	67,770	77,068
Professional fees		55,300	407,113	465,757	610,161
Marketing, public relations and press releases		77,314	26,305	116,834	49,542
Office supplies, software and hardware		120,264	123,168	225,858	237,043
Lease expenses		85,929	97,198	157,083	194,432
Insurance		120,955	132,567	236,397	264,346
Finance costs	20.4	395,671	412,551	779,542	937,413
Expected credit loss	4-5	44,602	(21,485)	151,952	403,579
Travel and entertainment		13,047	6,029	22,806	33,287
Stock exchange and transfer agent costs		44,564	17,899	58,043	27,440
Translation cost and others		88,522	47,490	121,977	56,169
Depreciation of property and equipment	6	925	22,158	1,435	52,613
Depreciation of right-of-use assets	6	14,178	55,078	27,737	113,870
Amortization of intangible assets	9	148,438	227,298	304,550	481,202
Amortization of financing issuance costs	12	16,308	16,307	32,615	33,889
Gain on legal settlement	10	-	-	(1,642,680)	-
Gain on transactions on investments in subsidiaries	3.3	(107,811)	(528,020)	(107,811)	(528,020)
Gain on disposition of property and equipment	6	-	(68,801)	-	(68,801)
Gain on foreign exchange		(27,502)	(119,639)	(24,463)	(97,783)
		49,252,796	2,269,365	60,039,930	6,181,838
Profit (loss) before income taxes		3,532,868	(1,835,795)	4,283,554	(5,569,107)
Income taxes (recovery)		870,732	(6,914)	892,943	(6,914)
Net profit (loss)		2,662,136	(1,828,881)	3,390,611	(5,562,193)
Net loss attributable to :					
Non-controlling interest	23	42,632	(96,333)	172,713	(217,121)
Owners of the parent		2,619,504	(1,732,548)	3,217,898	(5,345,072)
		2,662,136	(1,828,881)	3,390,611	(5,562,193)
Item that will be reclassified subsequently to profit or loss					
Currency translation adjustment		660,724	(387,937)	999,838	(424,907)
Total comprehensive profit (loss)		3,322,860	(2,216,818)	4,390,449	(5,987,100)
Total comprehensive profit (loss) attributable to:					
Non-controlling interest	23	218,672	(218,256)	516,885	(297,889)
Owners of the parent		3,104,188	(1,998,562)	3,873,564	(5,689,211)
		3,322,860	(2,216,818)	4,390,449	(5,987,100)
Weighted average number of outstanding shares		338,485,922	325,140,867	331,850,259	294,795,660
Basic and diluted earnings (loss) per share		0.008	(0.005)	0.010	(0.018)

Going concern uncertainty (note 2)

Subsequent events (note 26)

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

TENET FINTECH GROUP INC.
Condensed Interim Consolidated Statements of Changes in Equity

For the six-month periods ended June 30, 2026, and 2025

(In Canadian dollars)

(Unaudited)

	Note	Capital stock		Equity to issue	Contributed surplus	Equity component of convertible debentures	Accumulated other comprehensive income (loss)	Deficit	Total attributable to owners of parent	Non controlling interest (note 23)	Shareholders' equity
		Number of common shares	Amount								
Balance as at January 1, 2026		325,140,867	232,549,269	181,661	31,966,363	737,305	(1,008,605)	(277,659,444)	(13,233,451)	13,589,633	356,182
Issuance of shares	17.2	55,200,000	2,760,000	–	–	–	–	–	2,760,000	–	2,760,000
Transactions with owners		380,340,867	235,309,269	181,661	31,966,363	737,305	(1,008,605)	(277,659,444)	(10,473,451)	13,589,633	3,116,182
Net profit (loss)		–	–	–	–	–	–	3,217,898	3,217,898	172,713	3,390,611
Total comprehensive income		–	–	–	–	–	655,666	–	655,666	344,172	999,838
Total comprehensive income for the period		–	–	–	–	–	655,666	3,217,898	3,873,564	516,885	4,390,449
Balance as at June 30, 2026		380,340,867	235,309,269	181,661	31,966,363	737,305	(352,939)	(274,441,546)	(6,599,887)	14,106,518	7,506,631

	Note	Capital stock		Equity to issue	Contributed surplus	Equity component of convertible debentures	Accumulated other comprehensive income (loss)	Deficit	Total attributable to owners of parent	Non controlling interest (note 23)	Shareholders' equity
		Number of common shares	Amount								
Balance as at January 1, 2025		238,066,559	228,003,528	181,661	30,629,280	899,351	(828,085)	(268,313,810)	(9,428,075)	13,144,317	3,716,242
Issuance of shares and warrants	17.3–17.4	75,074,308	2,521,003	–	1,277,464	–	–	–	3,798,467	–	3,798,467
Issuance costs – shares and warrants	17.3	–	(301,972)	–	–	–	–	–	(301,972)	–	(301,972)
Issuance of broker compensation warrants	17.3	–	–	–	34,472	–	–	–	34,472	–	34,472
Conversion of debentures	12–17.3	12,000,000	2,263,297	–	–	(220,471)	–	–	2,042,826	–	2,042,826
Share-based compensation	18	–	–	–	258	–	–	–	258	–	258
Transactions with owners		325,140,867	232,485,856	181,661	31,941,474	678,880	(828,085)	(268,313,810)	(3,854,024)	13,144,317	9,290,293
Net loss		–	–	–	–	–	–	(5,345,072)	(5,345,072)	(217,121)	(5,562,193)
Total comprehensive income (loss)		–	–	–	–	–	(344,139)	–	(344,139)	(80,768)	(424,907)
Total comprehensive loss for the period		–	–	–	–	–	(344,139)	(5,345,072)	(5,689,211)	(297,889)	(5,987,100)
Balance as at June 30, 2025		325,140,867	232,485,856	181,661	31,941,474	678,880	(1,172,224)	(273,658,882)	(9,543,235)	12,846,428	3,303,193

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

TENET FINTECH GROUP INC.
Condensed Interim Consolidated Statements of Cash Flows

For the three and six-month periods ended June 30, 2026, and 2025

(In Canadian dollars)

(Unaudited)

	Note	Three-month periods ended		Six-month periods ended	
		June 30		June 30	
		2026	2025	2026	2025
OPERATING ACTIVITIES					
Net profit (loss)		2,662,136	(1,828,881)	3,390,611	(5,562,193)
Non-cash items					
Expected credit loss	4-5	44,602	(20,565)	151,952	380,125
Depreciation of property and equipment	6	925	22,158	1,435	52,613
Depreciation of right-of-use assets	6	14,178	55,078	27,737	113,870
Amortization of intangible assets	9	148,438	227,298	304,550	481,202
Amortization of financing issuance costs	12	16,308	16,307	32,615	33,889
Accretion on debentures and bonds	12	218,677	167,263	423,180	338,170
Accretion of lease interest	11	4,378	50,427	7,988	104,124
Interest income on deposit		-	(1,351)	(9,416)	(2,684)
Share-based compensation	18	-	-	-	258
Gain on disposition of property and equipment	6	-	(68,801)	-	(68,801)
Gain on transactions on investments in subsidiaries	3.3	(107,811)	(528,020)	(107,811)	(528,020)
Loans receivable maturing in more than 12 months	4	(105,723)	49,871	(213,073)	(321,167)
Net changes in working capital items					
Income tax payable		1,056,236	(165,105)	1,147,555	(165,445)
Accounts receivable	5.1	(45,161,887)	169,280	(42,222,662)	166,323
Finance lease receivable	8	10,593	8,627	21,055	17,148
Prepayments to third party subcontractors	5.1	871,061	52,394	670,020	(14,269)
Other debtors	5.1	19,912	(150,075)	111,196	(197,510)
Loans receivable maturing in less than 12 months	4	(940,188)	704,020	(1,991,489)	1,026,017
Other prepaid expenses		(368,863)	235,749	(89,188)	372,987
Trade accounts payable and accruals	10	39,301,673	3,560	36,467,550	1,038,630
Interest payable on debentures	10	73,300	159,493	154,091	511,938
Advances from third-party customers	10	1,759	9,903	3,579	10,500
Contract liabilities with third-party customers	10	(477,540)	2,442	(541,312)	174,770
Cash flows from operating activities		(2,717,836)	(828,928)	(2,259,837)	(2,037,525)
INVESTING ACTIVITIES					
Return of capital from equity investment	7	-	-	204,141	-
Property and equipment - Addition	6	(628)	-	(628)	-
Property and equipment - Disposals	6	-	79,227	-	79,227
Intangible assets - Disposals (additions)	9	-	10,454	-	10,454
Cash flows from investing activities		(628)	89,681	203,513	89,681
FINANCING ACTIVITIES					
Advances received from a company owned by a Director	10-21	-	7,616	24,252	7,616
Repayment of lease liabilities	11	(59,692)	(217,360)	(136,759)	(322,128)
Short term loan	15	-	-	-	50,000
Repayment of loan payable	16	-	(91,198)	-	(131,552)
Repayment of Bond	13	-	(15,000)	-	(15,000)
Repayment of credit facility	17	-	(45,000)	-	(45,000)
Proceeds from the issuance of shares and warrants	17	2,760,000	327,420	2,760,000	1,467,363
Re-allocation of capital from proceeds of previous financings	6	-	1,090,491	-	1,090,491
Cash flows from financing activities		2,700,308	1,056,969	2,647,493	2,101,790
IMPACT OF FOREIGN EXCHANGE		646,787	(407,763)	1,003,919	(452,101)
Net increase(decrease) in cash		628,631	(90,041)	1,595,088	(298,155)
Cash, beginning of the period		2,308,123	681,971	1,341,666	890,085
Cash, end of the period		2,936,754	591,930	2,936,754	591,930

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

TENET FINTECH GROUP INC.
Condensed Interim Consolidated Statements of Financial Position

As at June 30, 2026 and December 31, 2025

(In Canadian dollars)

(Unaudited)

	Note	As at June 30, 2026	As at December 31, 2025
ASSETS			
Current			
Cash		2,936,754	1,341,666
Restricted cash		3,667	3,432
Loans receivable	4	19,967,248	17,975,759
Assets held for sale		122,629	127,376
Debtors	5.1	49,613,695	8,031,919
Finance lease receivable	8	36,680	42,640
Prepaid expenses		645,333	556,145
		73,326,006	28,078,937
Finance lease receivable	8	–	15,095
Deposit		–	69,797
Property and equipment	6	145,994	27,337
Investments	7	835,485	980,000
Intangible assets	9	863,510	1,115,766
		75,170,995	30,286,932
LIABILITIES			
Current			
Accounts payable, advances and accrued liabilities	10	58,956,465	23,130,402
Lease liabilities	11	141,435	115,700
Bonds	13	172,500	172,500
CEBA Loan	14	13,200	13,200
Short term loan	15	300,000	300,000
Loan payable	16	330,353	71,938
Debentures	12	6,044,220	3,780,455
Current tax liabilities		1,653,138	505,583
		67,611,311	28,089,778
Debentures	12	–	1,807,969
Lease liabilities	11	53,053	33,003
		67,664,364	29,930,750
SHAREHOLDERS' EQUITY			
Capital stock	17	235,309,269	232,549,269
Shares to be issued		181,661	181,661
Contributed surplus		31,966,363	31,966,363
Equity component of convertible debentures	12	737,305	737,305
Accumulated other comprehensive loss		(352,939)	(1,008,605)
Deficit		(274,441,546)	(277,659,444)
Shareholders' equity attributable to owners of the parent		(6,599,887)	(13,233,451)
Non-controlling interest	23	14,106,518	13,589,633
Total shareholders' equity		7,506,631	356,182
		75,170,995	30,286,932

Going concern uncertainty (note 2)

Subsequent events (note 26)

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

On behalf of the Board,

/S/ Johnson Joseph
Director

/S/ Yves C. Renaud
Director

TENET FINTECH GROUP INC.

Notes to Condensed Interim Consolidated Financial Statements

For the six-month periods ended June 30, 2026, and 2025

(In Canadian dollars)

(Unaudited)

1 - GOVERNING STATUTES, NATURE OF OPERATIONS AND GENERAL INFORMATION

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

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

2 - GOING CONCERN UNCERTAINTY

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

The level of cash flows from operating activities currently being generated during the six-month period ended June 30, 2026, before net changes in working capital items, was sufficient to meet the Company's working capital requirements mainly explained by the positive operating cash flow coming from the Chinese subsidiaries. The Company's ability to continue as a going concern depends upon its ability to repatriate any profits from its activity and to raise additional financing if needed for business initiatives and growth. Even if the Company has been successful in the past in doing so, including a recent series of private placement financings, there is no assurance that it will manage to obtain additional financing in the future. In addition, the repatriation to Canada of any profits generated by the Company in China is subject to Chinese laws and regulations that restrict the movement of funds from China to 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 realized a net profit of \$3,390,611 for the six-month period ended June 30, 2026 (compared to a net loss of \$5,562,193 for the six-month period ended June 30, 2025), it has an accumulated deficit of \$274,441,546 as at June 30, 2026 (accumulated deficit was \$277,659,444 as at December 31, 2025). The company will continue to assess its working capital needs and undertake whatever initiatives it deems necessary to ensure that it continues to be in a position to meet its financial obligations. These material uncertainties may cast significant doubt regarding the Company's ability to continue as a going concern. During the first quarter of 2026, the Company remained subject to a failure to file cease trade order (the "FFCTO") that had been placed on the Company's securities since May 7, 2025, by the Ontario Securities Commission's (the "OSC"), which restricted its ability to raise funds in the public markets. As a result, the Company faced limitations in securing the capital required to support its basic operating needs and to advance the commercialization of its new product offerings in Canada. However, on June 9, 2026, the Company closed a private placement financing for gross proceeds of \$2.76 million under a partial revocation of the FFCTO. This FFCTO was still in effect as of June 30, 2026.

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

3 - SUMMARY OF MATERIAL ACCOUNTING POLICIES

3.1 Statement of compliance with IFRS

These condensed interim condensed interim consolidated financial statements for the six-month period ended June 30, 2026, have been prepared in accordance with IAS 34 "Interim Financial Reporting". Since they are condensed financial statements, certain information and note disclosures normally included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), have been voluntarily omitted or summarized.

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

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

These condensed interim condensed interim consolidated financial statements for the six-month period ended June 30, 2026, and 2025 were approved and authorized for the issue by the Board of Directors on August 26, 2026.

3.2 Basis of measurement

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

3.3 Basis of Consolidation

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

TENET FINTECH GROUP INC.

Notes to Condensed Interim Consolidated Financial Statements

For the six-month periods ended June 30, 2026, and 2025

(In Canadian dollars)

(Unaudited)

3 - SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

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

Entities	Registered	% of ownership and voting right	Principal activity	Functional Currency
Tenet Fintech Group Inc.	Canada		Holding and parent company	Canadian dollar
Cubeler Inc.	Canada	100%	Technology based product developer and procurement facilitator	Canadian dollar
Cubeler Inc. (U.S.)	United States	100%	Technology based product developer and procurement facilitator	US dollar
Tenoris 3 Inc.	Canada	100%	Technology based product developer and procurement facilitator	Canadian dollar
Asia Synergy Limited ("ASL")	Hong Kong	100%	Holding	US dollar
Asia Synergy Holdings Ltd. ("ASH")	China	100%	Holding	Renminbi
Asia Synergy Technologies Ltd. ("AST")	China	100%	Technology based product procurement facilitator	Renminbi
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 Xinhuzhi Supply Chain Management Ltd. ("ASAC")	China	51%	Technology based product procurement facilitator	Renminbi
Jiangsu Supairui IOT Technology Co., Ltd. ("ASTH")	China	80%	Technology based product procurement facilitator	Renminbi
Wuxi Suyetong Supply Chain Management Co., Ltd. ("SST")	China	80%	Technology based product procurement facilitator	Renminbi
Jiangsu Steel Chain Technology Co., Ltd. ("STEELCHAIN")	China	100%	Technology based steel trading platform facilitator	Renminbi

- (1) The Company indirectly holds 51% of ASFC's registered capital through nominee shareholder agreements and the contractual obligations they impose on the Company's nominee shareholders. Management exercised significant judgement in concluding that the Company controls ASFC. Please refer to the section Significant Accounting Judgments under Note 5.2.4 of the audited consolidated financial statements for the years ended December 31, 2025, and 2024 for further details on the key judgments applied in determining that the Company controls ASFC. No changes occurred during the six-month period ended June 30, 2026.

The Company's subsidiaries each have an annual reporting date of December 31 and are incorporated in either Canada, the 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.

Gain on transactions on investments in subsidiaries

On June 30, 2026, the Company completed the deregistration (to complete the legal dissolution of the entity) of its former subsidiary, ASSC, following a strategic decision. As a result of this transaction, the Company ceased to control ASSC 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 ASSC. The transaction resulted in a gain of \$107,811 which is presented within Gain on transactions on investments in subsidiaries in the consolidated statement of profit and loss for the three and six-month period ended June 30, 2026.

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.

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

3.4 Foreign currency translation

Functional and presentation currency

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

TENET FINTECH GROUP INC.

Notes to Condensed Interim Consolidated Financial Statements

For the six-month periods ended June 30, 2026, and 2025

(In Canadian dollars)

(Unaudited)

4 – LOANS RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES

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

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

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

Loans guaranteed by second-hand vehicles

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

Loans guaranteed by second rank mortgage on residential property

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

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

Credit & Supply Chain Finance Credit

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

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

Loans receivable are summarized as follows:

	2026 June 30	2025 December 31
Principal balance loans receivable		
<i>Autos</i>	1,144,290	1,044,561
<i>Residential Property</i>	55,116	62,024
<i>Credit and Supply Chain Finance Credit</i>	20,868,086	18,747,220
Principal balance loans receivable	22,067,492	19,853,805
Less expected credit loss (ECL)	(2,075,427)	(1,862,354)
Foreign exchange	(24,817)	(15,692)
Loans receivable net	19,967,248	17,975,759
Loans receivable maturing in less than 12 months	19,967,248	17,975,759
Loans receivable maturing in more than 12 months	–	–
	19,967,248	17,975,759

Impaired loans and allowances for credit loss

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

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

The Company evaluates the guarantor's financial capacity and liquidity using a combination of qualitative and quantitative information. This includes a review of unaudited financial information, annual tax-filing records, bank statements, and confirmation of the guarantor's ongoing business relationships with selected clients and partners. These procedures are performed on a recurring basis, with financial information and bank statements reviewed quarterly and other supporting documentation reviewed annually.

The most recent quarterly review was completed for the six-month period ended June 30, 2026. Based on the information available at that date, management did not identify any material deterioration in the guarantor's liquidity position or overall financial condition. The Company also maintains regular communication with the guarantor's management to remain informed of any significant developments.

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4 – 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 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 its guarantor duties. 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 June 30, 2026 and 2025, according to credit quality and ECL impairment stages.

		Credit Loss Allocation Applied		
		Autos	Residential Property	Credit and Supply Chain Finance Credit
Stage 1		1.0%	1.0%	2.0%
Stage 2		6.8%	1.0%	10.0%
Stage 3		89.4%	1.0%	20.0%
		Gross Carrying Amount	Allowance for Credit Loss	Net Carrying Amount
June 30, 2026	%			
Stage 1: Performing	13.3%	2,931,600	(586)	2,931,014
Stage 2: Underperforming	0.0%	–	–	–
Stage 3: Credit-impaired	86.7%	19,135,892	(2,099,658)	17,036,234
	100.0%	22,067,492	(2,100,244)	19,967,248
December 31, 2025	%			
Stage 1: Performing	12.3%	2,444,515	(490)	2,444,025
Stage 2: Underperforming	1.1%	214,492	(1,044)	213,448
Stage 3: Credit-impaired	86.6%	17,194,798	(1,876,512)	15,318,286
	100.0%	19,853,805	(1,878,046)	17,975,759

The Gross Carrying Amount for loans to customers as at June 30, 2026, broken down by product type and stages as follows:

Product Type – Autos				
	Stage 1	Stage 2	Stage 3	Total
Gross Carrying Amount as at January 1, 2026	–	–	1,044,561	1,044,561
Repayments (contractual)	–	–	(22,406)	(22,406)
Capitalized interest at quarter-end	–	–	50,773	50,773
Foreign exchange and other	–	–	71,362	71,362
Gross Carrying Amount as at June 30, 2026	–	–	1,144,290	1,144,290
Product Type – Residential property				
	Stage 1	Stage 2	Stage 3	Total
Gross Carrying Amount as at January 1, 2026	–	14,056	47,968	62,024
Repayments (contractual)	–	(2,199)	(9,243)	(11,442)
Capitalized interest at quarter-end	–	–	200	200
Transfers				
– to lifetime ECL credit-impaired	–	(12,818)	12,818	–
Foreign exchange and other	–	961	3,373	4,334
Gross Carrying Amount as at June 30, 2026	–	–	55,116	55,116

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

	Product Type – Credit & Supply Chain Finance Credit			
	Stage 1	Stage 2	Stage 3	Total
Gross Carrying Amount as at January 1, 2026	2,444,515	200,437	16,102,268	18,747,220
Originations / new loans	376,920	–	–	376,920
Repayments (contractual)	(55,983)	–	(344,965)	(400,948)
Capitalized interest at quarter-end	47,382	–	815,814	863,196
Transfers				
– to lifetime ECL credit-impaired	(262,499)	(214,140)	476,639	–
Foreign exchange and other	381,265	13,703	886,730	1,281,698
Gross Carrying Amount as at June 30, 2026	2,931,600	–	17,936,486	20,868,086

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

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

	Product Type – Residential property			
	Stage 1	Stage 2	Stage 3	Total
Gross Carrying Amount as at January 1, 2025	35,077	–	139,988	175,065
Repayments (contractual)	(23,770)	–	(97,618)	(121,388)
Capitalized interest at year-end	–	1,992	3,964	5,956
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	105,470	1,004	1,138,396	1,244,870
Transfers				
– to lifetime ECL performing	(199,433)	199,433	–	–
– to lifetime ECL credit-impaired	(538,161)	(9,481,045)	10,019,206	–
Foreign exchange and other	206,668	–	(306,703)	(100,035)
Gross Carrying Amount as at December 31, 2025	2,444,515	200,437	16,102,268	18,747,220

The loss allowance for loans to customers as at June 30, 2026, broken down by product type, reconciles to the opening loss allowance for that provision as follows:

	Product Type – Autos			
	Stage 1	Stage 2	Stage 3	Total ECL
Loss allowance as at January 1, 2026	–	–	909,896	909,896
Originations net of repayments and other derecognitions	–	–	143,936	143,936
Net remeasurement	–	–	26,149	26,149
Foreign exchange and other	–	–	(57,064)	(57,064)
Loss allowance as at June 30, 2026	–	–	1,022,917	1,022,917

	Product Type – Residential property			
	Stage 1	Stage 2	Stage 3	Total ECL
Loss allowance as at January 1, 2026	1	42	480	523
Originations net of repayments and other derecognitions	–	(6)	(92)	(98)
Net remeasurement	–	–	91	91
Transfers				
– to lifetime ECL performing	–	(39)	39	–
Foreign exchange and other	(1)	3	34	36
Loss allowance as at June 30, 2026	–	–	552	552

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

	Product Type – Credit & Supply Chain Finance Credit			
	Stage 1	Stage 2	Stage 3	Total ECL
Loss allowance as at January 1, 2026	489	1,002	966,136	967,627
Originations net of repayments and other derecognitions	76	(24)	27,906	27,958
Net remeasurement	(1,005)	–	16,041	15,036
Transfers				
– to lifetime ECL credit-impaired	(54)	–	54	–
Foreign exchange and other	33	69	66,052	66,154
Loss allowance as at June 30, 2026	586	–	1,076,189	1,076,775

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

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

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

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

5 – DEBTORS AND DEPOSITS MADE FOR TRANSACTIONS ON PLATFORMS
5.1 Debtors

	2026	2025
	June 30	December 31
Sales tax receivable	987,555	968,988
Advances to companies	210,437	260,991
Accounts receivable (1)	45,480,264	3,257,602
Subscriptions receivable from non-controlling interests	1,358,386	1,358,386
Prepayments to third party subcontractors (2)	1,577,053	2,185,952
	49,613,695	8,031,919

(1) The Company reassesses the recoverability of each debtor categorized by type of supply chain activity and by customer. During the six-month period ended June 30, 2026, an amount of \$412,639 (December 31, 2025 – an expense of \$186,624) was recorded as reversal of expected credit loss in the condensed interim consolidated statements of comprehensive profit and loss. Please refer to the Note 25 Economic Dependence for more information regarding the concentration of risk as of June 30, 2026 regarding the remaining balance of Accounts Receivable still outstanding.

	2026	2025
	June 30	December 31
Accounts receivable at the beginning of the period	3,257,602	387,530
Additions during the period	64,900,741	9,470,218
Collection for the balance during period	(19,928,499)	(6,726,381)
Collection for the balance in previous year	(3,027,150)	–
Expected credit loss (ECL)	412,639	(186,624)
Foreign exchange	(135,068)	312,859
Accounts receivable at the end of the period	45,480,264	3,257,602

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

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

June 30, 2026	Current	30-90 days	91-180 days	>180 days	Total
Expected credit loss rate	0%	0%	0%	98%	
Estimated total gross carrying amount at default	45,150,621	–	49,387	14,279,655	59,479,663
Expected credit loss rate	–	–	–	13,999,398	13,999,398
Accounts receivable after expected credit loss	45,150,621	–	49,387	280,257	45,480,264

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

- (2) Subsidiaries of the Company made operational prepayments to supply chain subcontractors, funded entirely by advances received from underlying customers. As recovery is no longer expected through the delivery of goods or services, these prepayments are classified as financial assets exposed to credit risk recoverable in cash under the simplified approach of IFRS 9. Each prepayment is matched by a corresponding contract liability owed to the downstream customer (Note 11).

The prepayments are backed by an enforceable tripartite guarantee agreement. While management's due diligence confirmed the guarantor's legal enforceability and financial capacity to cover the exposure, cash settlements experienced delays due to the subcontractor's internal liquidity constraints.

Following missed repayment milestones and an assessment of credit risk deterioration under IFRS 9, the Company recognized an approximate 25% (18% after foreign exchange impact) expected credit loss (ECL) provision as of June 30, 2026, representing management's best estimate of recoverable cash flows from ongoing discussions. Management continues to monitor this exposure through active aging analysis, credit ratings, and direct negotiations, and will adjust the provision in subsequent quarters as settlement discussions progress.

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

June 30, 2026	Current	30-90 days	91-180 days	>180 days	Total
Expected credit loss rate	0%	0%	0%	18%	18%
Estimated total gross carrying amount at default	–	–	–	1,928,571	1,928,571
Expected credit loss rate	–	–	–	351,518	351,518
Prepayment after expected credit loss	–	–	–	1,577,053	1,577,053

December 31, 2025	Current	30-90 days	91-180 days	>180 days	Total
Expected credit loss rate	0%	0%	0%	0%	0%
Estimated total gross carrying amount at default	–	–	–	2,185,952	2,185,952
Expected credit loss rate	–	–	–	–	–
Prepayment after expected credit loss	–	–	–	2,185,952	2,185,952

6 - PROPERTY AND EQUIPMENT

	Right-of-Use Assets	IT & Office Equipment	Leasehold Improvement	Vehicles & Other Equipment	Total
Gross carrying amount					
Balance as at January 1, 2026	2,179,929	272,709	–	–	2,452,638
Additions	173,548	628	–	–	174,176
Balance as at June 30, 2026	2,353,477	273,337	–	–	2,626,814
Accumulated amortization					
Balance as at January 1, 2026	2,155,681	269,620	–	–	2,425,301
Depreciation	27,737	1,435	–	–	29,172
Exchange differences	25,434	913	–	–	26,347
Balance as at June 30, 2026	2,208,852	271,968	–	–	2,480,820
Net carrying amount as at June 30, 2026	144,625	1,369	–	–	145,994

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6 - PROPERTY AND EQUIPMENT (CONTINUED)

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

As of June 30, 2026, the Company's subsidiary, Asia Synergy Financial Capital Ltd. ("ASFC"), entered into a three-year commercial lease agreement. Consequently, the Company recognized a right-of-use asset of \$173,548 (December 31, 2025 - \$Nil) with a corresponding lease liability in the condensed interim consolidated statement of financial position in accordance with IFRS 16. This addition represents a non-cash investing and financing transaction and has been excluded from the condensed interim consolidated statement of cash flows.

During the year ended December 31, 2025, the Company disposed of IT, office equipment, vehicles and 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. 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).

7 - INVESTMENTS

	2026 June 30	2025 December 31
Other equity investments (1)	835,485	980,000
	835,485	980,000

(1) The Company holds, through its ASFC subsidiary, a 5% equity interest in Wuxi Xincheng Venture Capital Partnership ("AVC"), a China-registered investment partnership. During the six-month period ended June 30, 2026, the Company recognized a return of capital totalling \$204,141 from uninvested capital distributed from its investment in AVC. As the distribution did not relate to post-acquisition profits, it was accounted for as a reduction in the carrying amount of the investment. The Group's ownership percentage and level of significant influence remained unchanged. The fair market value of the equity investment is \$835,485 as at June 30, 2026 (December 31, 2025 - \$980,000).

The movement during the six-month period ended June 30, 2026 and 2025, relating to the other equity investments, were as follows:

	2026 June 30	2025 December 31
Balance at the beginning of the period	980,000	985,500
Return of capital (AVC)	(204,141)	-
Foreign exchange	59,626	(5,500)
Balance at the end of the period	835,485	980,000

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8 - FINANCE LEASE RECEIVABLE

	2026 June 30	2025 December 31
Balance at the beginning of the period	57,735	92,464
Rental payments received	(21,055)	(34,729)
Balance at the end of the period	36,680	57,735
Current Portion	36,680	42,640
Non-current Portion	–	15,095

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

On 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 or loss for the year ending December 31, 2024.

The Company's undiscounted lease payments to be received as at June 30, 2026 were as follows:

As at June 30, 2026	Payments to be received by period			
	1 year	2 - 5 years	Beyond 5 years	Total
Lease payments to be received	37,530	–	–	37,530

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

The total unearned finance income up to the end of the sublease term is \$849 as at June 30, 2026 (\$2,072 - December 31, 2025).

The total other rental income collected from the subtenant relating to additional rent (operating expenses recovery) is recorded as revenues in the condensed interim consolidated statement of comprehensive profit and loss for the six-month period ended June 30, 2026.

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9 - INTANGIBLE ASSETS

The carrying value of the intangible assets as at June 30, 2026 and December 31, 2025, were as follows:

	Loan Servicing Agreement	Gold River Platform	System Integration Platform (Formerly called Cubeler Interface)	Cubeler Platform	Other ERP Platforms	Heartbeat Platform	Tradenames	Total intangible assets
Gross carrying amount								
Balance as at January 1, 2026	1,430,000	19,508,201	2,708,222	24,924,238	6,867,050	10,254,843	5,287,000	70,979,554
Balance as at June 30, 2026	1,430,000	19,508,201	2,708,222	24,924,238	6,867,050	10,254,843	5,287,000	70,979,554
Accumulated amortization and impairment loss								
Balance as at January 1, 2026	1,001,000	19,508,201	2,708,222	24,924,238	6,182,116	10,254,843	5,285,168	69,863,788
Amortization	71,500	–	–	–	232,800	–	250	304,550
Exchange differences	–	–	–	–	(52,294)	–	–	(52,294)
Balance as at June 30, 2026	1,072,500	19,508,201	2,708,222	24,924,238	6,362,622	10,254,843	5,285,418	70,116,044
Net carrying amount as at June 30, 2026	357,500	–	–	–	504,428	–	1,582	863,510
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

TENET FINTECH GROUP INC.

Notes to Condensed Interim Consolidated Financial Statements

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(In Canadian dollars)

(Unaudited)

10 - ACCOUNTS PAYABLE, ADVANCES AND ACCRUED LIABILITIES

	2026 June 30	2025 December 31
Trade accounts payable and accruals	54,749,989	17,003,945
Advances received from a company owned by a Director, no interest (1)	1,326,121	1,217,740
Advances from third-party customers, no interest	50,434	46,855
Contract liabilities with third-party customers, no interest (2,3)	2,071,602	2,612,914
Interest payable on debentures (note 12)	758,319	604,228
Provision for legal settlement (4)	–	1,644,720
	58,956,465	23,130,402

(1) During the six-month period ended June 30, 2026, a company owned by a Director of the Company, made a series of short-term loans totally approximately \$24,252 to Asia Synergy Holding Inc. ("ASH"), a wholly owned subsidiary of the Company. The balance of the net advances received from a company owned by a Director at no interest as at June 30, 2026 is \$1,326,121 (December 31, 2025 - \$1,217,740). A foreign exchange gain of \$84,129 was recognized.

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

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

	2026 June 30	2025 December 31
Balance at the beginning of the period	2,612,914	2,164,371
Increase in contract liabilities during the period	–	1,298,123
Revenue recognized for balances included in Contract liabilities Balance at the beginning of the period	(300,667)	–
Revenue recognized for balances included in Contract liabilities Balance in previous years	–	(14,886)
Revenue recognized for Contract liabilities originated during the period	–	(802,175)
Other	(412,639)	(21,806)
Exchange differences	171,994	(10,713)
Balance at the end of the period	2,071,602	2,612,914

During the six-month period ended June 30, 2026, an amount of \$412,639 was recorded as reversal of contract liability as the obligation was released by the underlying customer (Both the contract liability and the prepayment were released; however, no revenue has yet been generated from these transactions) in the condensed interim consolidated statements of comprehensive profit and loss.

(4) On March 6, 2026, the Company announced that the class action lawsuit filed on October 25, 2023 in the United States District Court for the Eastern District of New York against the Company and its Chief Executive Officer and former Chief Financial Officer, which alleged four counts of violations of the securities laws of the United States (the "Lawsuit"), was 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 administratively closed the case. The Company did not pay any compensation to the plaintiffs, nor does it have any obligations, financial or otherwise, owed to the plaintiffs in connection with the Lawsuit. The provision was reversed during the first quarter of 2026.

11 - LEASE LIABILITIES

	2026 June 30	2025 December 31
Balance at the beginning of the period	148,703	1,895,774
Adjustment	–	(1,245,609)
Additions (1)	173,548	–
Accretion interest	7,988	157,113
Lease payments	(136,759)	(621,105)
Effect of exchange rate change on obligation	1,008	(37,470)
Balance at the end of the period	194,488	148,703
Current Portion	141,435	115,700
Non-current Portion	53,053	33,003

(1) During the six-month period ended June 30, 2026, the Company's subsidiary, Asia Synergy Financial Capital Ltd. ("ASFC"), entered into a lease agreement for a term of three years. Consequently, the addition of lease liabilities regarding the new lease of \$173,548 (December 31, 2025 - \$Nil) was recorded in the condensed interim consolidated statement of financial positions.

The Company's obligations regarding lease payments as at June 30, 2026, and December 31, 2025, were as follows:

As at June 30, 2026	Payments due by period			
	1 year	2 - 5 years	Beyond 5 years	Total
Lease payments	147,723	58,071	–	205,794

TENET FINTECH GROUP INC.

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11 - LEASE LIABILITIES (CONTINUED)

As at December 31, 2025

	Payments due by period			
	1 year	2 - 5 years	Beyond 5 years	Total
Lease payments	98,760	33,348	–	132,108

12 - DEBENTURES

The carrying value of the debentures as at June 30, 2026 and 2025, was as follows:

	2026 June 30	2025 December 31
Debenture issuance of December 23, 2022 (note 12.1)	450,000	450,000
Debenture issuance of January 31, 2023 (note 12.2)	50,000	50,000
Debenture issuance of August 1, 2023 (note 12.3)	2,507,529	2,316,619
Debenture issuance of August 18, 2023 (note 12.4)	363,749	336,410
Debenture issuance of September 8, 2023 (note 12.5)	677,855	627,426
Debenture issuance of February 2, 2024 (note 12.6)	870,449	781,728
Debenture issuance of February 27, 2024 (note 12.7)	433,646	393,836
Debenture issuance of April 16, 2024 (note 12.8)	690,991	632,405
Debentures	6,044,220	5,588,424
Debentures, short-term	6,044,220	3,780,455
Debentures, long-term	–	1,807,969
	6,044,220	5,588,424

As at June 30, 2026, \$758,319 of interest payable on debentures is recorded in accounts payable, advances and accrued liabilities (December 31, 2025 - \$604,228).

12.1 Debenture issuance of December 23, 2022

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

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

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

On December 23, 2024, convertible debentures with nominal value of \$680,000 were expired. \$230,000 of that amount was repaid from the proceeds of the private placement closed on November 29, 2024, resulting in a remaining balance of \$450,000 as at December 31, 2025. The Company is in negotiations with the holders to arrange a repayment date. Interest expense has been accrued in accordance with the original terms of the convertible debentures for the six-month period ended June 30, 2026.

The movement during the six-month period ended June 30, 2026 and 2025, relating to those debentures, was as follows:

	2026 June 30	2025 December 31
Balance at the beginning of the period	450,000	450,000
Balance at the end of the period	450,000	450,000

As at June 30, 2026, \$12,604 of interest payable on debentures was recorded in accounts payable, advances and accrued liabilities (December 31, 2025 - \$9,770).

12.2 Debenture issuance of January 31, 2023

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

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

TENET FINTECH GROUP INC.**Notes to Condensed Interim Consolidated Financial Statements**

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(Unaudited)

12 - DEBENTURES (CONTINUED)

On April 19, 2023, the Company amended the conversion terms of the convertible debentures to allow the holders thereof to convert the face value of the Debentures into Debentures Shares at the price to be determined under the next transaction or series of directly related transactions in the course of which the Corporation issues and sells common shares or units for aggregate net proceeds of not less than \$5,000,000, the whole in accordance with the terms and conditions set forth in an amending agreement with each of the Holders. As such, subsequently to the debenture issuance of August 18, 2023 (refer to note 12.4), the debentures became 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 had 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 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 June 30, 2026. The Company is in negotiations with the holders to arrange a repayment date. Interest expense has been accrued in accordance with the original terms of the convertible debentures for the six-month period ended June 30, 2026.

The movement during the six-month period ended June 30, 2026 and 2025, relating to those debentures, was as follows:

	2026	2025
	June 30	December 31
Balance at the beginning of the period	50,000	214,737
Maturity repayment	–	(120,000)
Balance at inception or beginning of the year	50,000	94,737
Conversion of debentures	–	(48,804)
Interest and accretion of debentures	–	3,601
Amortization of financing issuance costs	–	466
Balance at the end of the period	50,000	50,000

As at June 30, 2026, \$2,469 of interest payable on debenture was recorded in accounts payable, advances and accrued liabilities (December 31, 2025 - \$2,469).

12.3 Debenture issuance of August 1, 2023

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

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

The movement during the six-month period ended June 30, 2026 and 2025, relating to those debentures, was as follows:

	2026	2025
	June 30	December 31
Balance at the beginning of the period	2,316,619	2,001,270
Balance at inception or beginning of the year	2,316,619	2,001,270
Interest and accretion of debentures	187,927	309,383
Amortization of financing issuance costs	2,983	5,966
Balance at the end of the period	2,507,529	2,316,619

As at June 30, 2026, \$294,785 of interest payable on debenture was recorded in accounts payable, advances and accrued liabilities (December 31, 2025 - \$24,193).

12.4 Debenture issuance of August 18, 2023

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

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

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12 - DEBENTURES (CONTINUED)

During 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 initially recorded at inception totalling \$436,880.

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

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

The movement during the six-month period ended June 30, 2026 and 2025, relating to those debentures, was as follows:

	2026 June 30	2025 December 31
Balance at the beginning of the period	336,410	2,039,815
Balance at inception or beginning of the year	336,410	2,039,815
Conversion of debentures	–	(1,757,257)
Interest and accretion of debentures	27,339	53,852
Balance at the end of the period	363,749	336,410

As at June 30, 2026, \$23,593 of interest payable on debentures was recorded in accounts payable, advances and accrued liabilities (December 31, 2025 - \$15,677).

12.5 Debenture issuance of September 8, 2023

On September 8, 2023, the Company issued 710 units of convertible debentures to insiders of the Company 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 September 8, 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 six-month period ended June 30, 2026 and 2025, relating to those debentures, was as follows:

	2026 June 30	2025 December 31
Balance at the beginning of the period	627,426	544,405
Balance at inception or beginning of the year	627,426	544,405
Interest and accretion of debentures	50,429	83,021
Balance at the end of the period	677,855	627,426

As at June 30, 2026, \$197,743 of interest payable on debentures was recorded in accounts payable, advances and accrued liabilities (December 31, 2025 - \$162,410).

12.6 Debenture issuance of February 2, 2024

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

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

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

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

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12 - DEBENTURES (CONTINUED)

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

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

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

On November 4, 2024, convertible debentures having a nominal value of \$100,000 were converted into common shares of the Company. At the date of conversion, these debentures had an amortized cost totalling \$60,158. The Company issued 666,667 common shares to the debenture holders and recorded \$66,525 in share capital which included the reclassification of the equity component of convertible debentures initially 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 initially recorded at inception totalling \$23,875.

The movement during the six-month period ended June 30, 2026 and 2025, relating to those debentures, was as follows:

	2026	2025
	June 30	December 31
Balance at the beginning of the period	781,728	863,944
Balance at inception or beginning of the year	781,728	863,944
Conversion of debentures	–	(236,765)
Interest and accretion of debentures	69,181	114,663
Amortization of financing issuance costs	19,540	39,886
Balance at the end of the period	870,449	781,728

As at June 30, 2026, \$74,960 of interest payable on debenture is recorded in accounts payable, advances and accrued liabilities (December 31, 2025 – \$58,127).

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

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

- (1) Although the exercise 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 (exclusively without the conversion options and warrants) is below fair market value.

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

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

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

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

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12 - DEBENTURES (CONTINUED)

12.7 Debenture issuance between February 21 and 26, 2024

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

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

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

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

In addition, during the month of December 2024, the holders of the above mentioned 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 six-month period ended June 30, 2026 and 2025, relating to those debentures, was as follows:

	2026 June 30	2025 December 31
Balance at the beginning of the period	393,836	326,979
Balance at inception or beginning of the year	393,836	326,979
Interest and accretion of debentures	34,302	55,841
Amortization of financing issuance costs	5,508	11,016
Balance at the end of the period	433,646	393,836

As at June 30, 2026, \$29,906 of interest payable on debenture was recorded in accounts payable, advances and accrued liabilities (December 31, 2025 - \$21,656).

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

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

- (1) Although the exercise 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 debenture 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 (exclusively without the conversion options and warrants) is below fair market value.

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

12.8 Debenture issuance of April 16, 2024

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

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

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12 - DEBENTURES (CONTINUED)

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

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

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

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

On August 19, 2024, convertible debentures having a nominal value of \$425,000 were converted into common shares of the Company. At the date of conversion, these debentures had an amortized cost totalling \$251,193. The Company issued 2,833,333 common shares to the debenture holders and recorded \$280,594 in share capital which included the reclassification of the equity component of convertible debentures initially 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 initially recorded at inception totalling \$53,961.

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

The movement during the six-month period ended June 30, 2026 and 2025, relating to those debentures, was as follows:

	2026 June 30	2025 December 31
Balance at the beginning of the period	632,405	535,325
Balance at inception or beginning of the year	632,405	535,325
Interest and accretion of debentures	54,002	87,910
Amortization of financing issuance costs	4,584	9,170
Balance at the end of the period	690,991	632,405

As at June 30, 2026, \$122,259 of interest payable on debenture was recorded in accounts payable, advances and accrued liabilities (December 31, 2025 - \$92,926).

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

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

- (1) Although the exercise 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 debenture 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 (exclusively 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.

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13 - BONDS

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

The Bonds were redeemable after 36 months from the date of issuance (the "Initial Maturity Date"). Each holder had 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 elected to exercise his/her Initial Extension Right also had a further right at the end of the Initial Extension Period to extend his/her Bond for another 12 months (the "Second Extension Period") under the same notice conditions as stated in the Initial Extension.

If a holder elected to extend his/her Bonds, the Company had the option to redeem such holder's Bonds at any time on payment of a 5% premium to redeem the Bonds ("Penalty").

The Bonds are secured by a pledge on the aggregate assets of the Company and matured on May 29, 2023. The Company used the residual value method to allocate the principal amount of the Bonds 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 the Bonds, there can be no assurances that it will be able to do so. Following discussions with bondholders during the last quarter of the year 2025, the Company successfully negotiated a monthly repayment schedule with certain bondholders projecting full repayment by the end of 2025. The Company was not in a position to fully repay the Bonds in accordance with the scheduled repayment terms and therefore obtained an extension from the bondholders during the first quarter of 2026 to settle the outstanding balance in full somewhere in the third quarter of 2026. Interest expense has been accrued in accordance with the original terms of the Bonds for the six-month period ended June 30, 2026.

The movement during the six-month period ended June 30, 2026 and 2025, relating to the Bonds, were as follows:

	2026 June 30	2025 December 31
Balance at the beginning of the period	172,500	230,000
Adjustment	-	100,000
Payment	-	(157,500)
Balance at the end of the period	172,500	172,500

14 - CEBA LOAN (Canada Emergency Business Account)

On April 20, 2020, the Company applied for and received \$40,000 under the Canada Emergency Business Account (CEBA). Further, on September 1, 2021, through its acquisition of Cubeler, the Company acquired an additional CEBA loan totaling \$60,000. Under this program providing interest-free loans, repaying the balance of the loan on or before January 18, 2024, would 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 CEBA 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 bore interest at 5% and was repayable on maturity on December 31, 2026. On January 17, 2024, the company repaid \$66,800 of its CEBA loan which resulted in a loan forgiveness of \$20,000. The balance outstanding of the CEBA loan as at June 30, 2026 was \$13,200.

15 - SHORT TERM LOAN

The balance outstanding of the short term loan as at June 30, 2026 was \$300,000 (December 31, 2025 - \$300,000). The Company was not able to repay the loan during the quarter.

16 - LOAN PAYABLE

During the second quarter of 2025, the Company renegotiated a new D&O policy along with a new loan agreement with a new provider at an effective annual interest rate of 9.37% payable in ten instalments and maturing in April 25, 2026. During the second quarter of 2026, the Company renegotiated a new directors and officer liability insurance policy (the "D&O Policy") along with a new loan agreement at an effective annual interest rate of 8.46% payable in ten instalments and maturing in April 25, 2027. The balance outstanding of the loan as at June 30, 2026 was \$330,353 (December 31, 2025 - \$71,938).

17 - SHAREHOLDERS' EQUITY

17.1 Authorized share capital

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

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

- a) 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.

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

- a) During the six-month period ended June 30, 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.

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17 - SHAREHOLDERS' EQUITY (CONTINUED)

- b) During the six-month period ended June 30, 2025 and as mentioned in note 12.2, 12.4 and 12.6, convertible debentures having a nominal value of \$2,675,000 and an amortized costs of \$2,042,826 were converted into 12,000,000 common shares. The Company recorded a total of \$2,263,297 in share capital which represents the amortized cost of the debentures and the fair value of the related conversion option initially recorded at inception totalling \$220,471.
- c) On March 13, 2025, the Company 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 \$34,472 and recorded as issuance of broker compensation warrants in the condensed interim condensed interim consolidated statements of changes in equity as at the date of issuance. Out of the total funds raised from the share and warrant units issued on March 13, 2025, \$1,238,500 was used to repay a short term loan (refer to note 15), and \$250,426 was used to repay a credit facility.

17.4 Warrants

The outstanding warrants movement as at June 30, 2026 and December 31, 2025 and the respective changes during the year, are summarized as follows:

	June 30, 2026		December 31, 2025	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Outstanding, beginning of the period	167,552,240	0.19	144,459,996	0.35
Granted	–	–	74,887,340	0.15
Expired	(29,563,900)	0.27	(51,795,096)	0.73
Outstanding and exercisable, end of the period	137,988,340	0.17	167,552,240	0.19

As at June 30, 2026, and December 31, 2025, the number of outstanding warrants which could be exercised for an equivalent number of common shares.

	June 30, 2026		December 31, 2025	
	Number	Exercise price	Number	Exercise price
February, 2026	–	–	10,732,260	0.25
February, 2026	–	–	4,966,170	0.25
February, 2026	–	–	1,699,830	0.25
April, 2026	–	–	10,265,640	0.25
April, 2026	–	–	1,900,000	0.50
September, 2027	38,075,000	0.20	38,075,000	0.20
September, 2027	2,054,000	0.20	2,054,000	0.20
October, 2027	1,000,000	0.20	1,000,000	0.20
November, 2027	8,650,000	0.20	8,650,000	0.20
November, 2027	280,000	0.20	280,000	0.20
November, 2027	11,010,000	0.20	11,010,000	0.20
November, 2027	364,000	0.20	364,000	0.20
December, 2027	1,900,000	0.20	1,900,000	0.20
December, 2027	72,000	0.20	72,000	0.20
March, 2027	72,983,340	0.15	72,983,340	0.15
March, 2027	1,600,000	0.15	1,600,000	0.15
	137,988,340		167,552,240	

18 - SHARE-BASED PAYMENTS

The Company has adopted an incentive stock option plan which provides that the board of directors of the Company (the "Board") may, from time to time, at its discretion and in accordance with the securities regulations and the policies of the Canadian Securities Exchange, 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.

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18 - SHARE-BASED PAYMENTS (CONTINUED)

The outstanding options movement as at June 30, 2026 and December 31, 2025, are summarized as follows:

	June 30, 2026		December 31, 2025	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the period	823,791	4.33	2,706,440	2.26
Expired	(55,000)	5.50	(1,870,500)	1.33
Forfeited	–	–	(12,149)	4.38
Outstanding at the end of the period	768,791	4.25	823,791	4.33
Exercisable at the end of the period	768,791	4.25	823,791	4.33

The table below summarizes the information related to outstanding share options as at June 30, 2026.

Maturity date	Range of exercise price	Number of options	Weighted average remaining contractual life (years)
July 7, 2026	4.10	700,000	0 months
October 28, 2026	11.50	25,000	3 months
January 1, 2027	7.50	8,126	6 months
April 1, 2027	4.16	5,000	9 months
December 1, 2027	0.85	9,184	1 years and 5 months
February 1, 2028	0.95	21,481	1 years and 7 months
		768,791	

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

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

During the six-month period ended June 30, 2026, the Company recorded no amount related to share-based payments (December 31, 2025 - \$258) in the condensed interim consolidated statements of comprehensive profit and loss and contributed surplus.

19 - CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company's capital management objectives are as follows:

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

The Company monitors capital based on the carrying amount of equity which represents \$7,506,631 as at June 30, 2026 (December 31, 2025 - \$356,182).

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

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

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20 - FINANCIAL INSTRUMENTS

20.1 Classification of financial instruments

As at June 30, 2026, the carrying amount of financial assets and financial liabilities were as follows:

		June 30, 2026	
		Assets and liabilities carried at fair value	Assets and liabilities carried at amortized cost
			Total carrying value
Financial assets			
Cash	–	2,936,754	2,936,754
Restricted Cash	–	3,667	3,667
Debtors	–	48,626,140	48,626,140
Loans receivable	–	19,967,248	19,967,248
Investments	835,485	–	835,485
	835,485	71,533,809	72,369,294
Financial liabilities			
Accounts payable, advances and accrued liabilities	–	56,829,660	56,829,660
Bonds	–	172,500	172,500
CEBA Loan	–	13,200	13,200
Debentures	–	6,044,220	6,044,220
Short term loan	–	300,000	300,000
Loan payable	–	330,353	330,353
	–	63,689,933	63,689,933

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

20.2 Financial risk management objectives and policies

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

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

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

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

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20 - FINANCIAL INSTRUMENTS (CONTINUED)

20.3 Financial risks

20.3.1 Credit & Liquidity risk

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

As at June 30, 2026, the Company continued to actively monitor the situation and assess any indicators of changes in recoverability for credit-impaired financial assets. Based on its evaluation, management determined that a migration for certain loans exposure was required during the period for product "Credit & Supply Chain Finance Credit" was required due to increased in credit risk based on the increased risk of default by the underlying borrowers, please refer to Note 4 - LOANS RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES. As of June 30, 2026, the reflected impact of the increase in credit risk was recorded through expected credit losses of \$213,073 in the condensed interim consolidated statement of comprehensive profit and loss. The staging migration of certain loans receivable, driven by the observed increase in credit risk, was the primary factor behind this adjustment.

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

The Company's impairment model incorporates:

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

In the second quarter ended June 30, 2026, the Company continued to monitor macroeconomic conditions and any resulting impacts on the Company's credit risk. Specific to ASFC, the asset-backed loans are secured by collateral provided by borrowers at initial recognition, primarily in the form of second-hand vehicles (auto collateral is conservatively valued at 65% of fair market value) and residential properties (typically maintaining a value above the outstanding loan balance). Collateral values are derived from transactional data sourced from regulatory reporting systems in China. Credit enhancement structures for non-asset-backed loans remained unchanged. These loans are fully guaranteed by specific shareholders or other financial third parties, with no historical defaults or guarantor repayments recorded. Certain asset-backed loans, particularly those secured by residential properties, have not been assigned a loss allowance due to their over-collateralized nature and high recovery potential. Nonetheless, the Company applies a minimum 1% ECL to these exposures as a prudential measure. During the second quarter ended June 30, 2026 no significant changes were observed in the quality of that collateral or credit enhancements as a result of deterioration or changes in the collateral policies of the entity. Additionally, the Company continued to monitor evolving conditions and assess their impact on credit risk, including the emergence of new indicators of increased exposure or potential reversals of ECLs in future quarters.

The Company's determination to base collateral realization on 100% of the fair market value ("FMV") of the residential property despite the subordinate position of its mortgage is supported by a structured and conservative valuation and risk assessment framework.

Prior to loan approval, the Company's credit department conducts a comprehensive due diligence process, which includes:

- Obtaining and verifying the borrower's credit report and property title documents to identify all existing senior mortgages;
- Assessing the FMV of the property using major local real estate transaction platforms; and
- Validating the FMV through internal review by the Company's personnel.

Importantly, the loan-to-value ("LTV") ratio is not calculated on the full FMV of the property. Instead, it is determined solely on the residual value, defined as the FMV less the outstanding balances of all prior-ranking mortgages. The Issuer then limits loan amounts to only 25%–50% of this residual value. This approach creates a substantial safety buffer of 50%–75%, designed to absorb potential fluctuations in property values and realization costs.

As a result, even in a disposal scenario where senior lienholders are repaid first, the net proceeds available to the Company are highly likely to fully cover its credit exposure. Accordingly, the assumption of 100% FMV for collateral realization is conservative, as the lending decision is ultimately based on a deeply discounted, seniority-adjusted collateral value.

The ECL models explicitly integrate forward-looking macroeconomic data to reflect reasonable and supportable information that is available without undue cost or effort. Specifically, ASFC utilizes two key external indicators. Firstly, the general bankruptcy rate for SMEs in mainland China is monitored and incorporated as a primary driver to adjust the probability of default ("PD") and the baseline credit loss percentages applied to the SME loan portfolio. This ensures the loss rates dynamically respond to the prevailing economic stress within this key borrower segment. Secondly, as part of the Company's ECL model, the recoverability of loan exposures is influenced by the creditworthiness of the guarantor. Changes in guarantor's liquidity position or overall credit quality would materially affect the loss-given-default (LGD) percentage, which is a key input in the calculation of the ECL provision. As at June 30, 2026, the guarantee was considered to continue 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.

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20 - FINANCIAL INSTRUMENTS (CONTINUED)

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

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.

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

	June 30, 2026		
	Current		Long-term
	Within 6 months	6 to 12 months	More than 12 months
Accounts payable, advances and accrued liabilities	56,829,660	-	-
Bonds	172,500	-	-
CEBA loan	13,200	-	-
Debentures	4,183,000	2,315,000	-
Short term loan	300,000	-	-
Loan payable	330,353	-	-
	61,828,713	2,315,000	-

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

20.4 Finance costs

The breakdown of finance costs during the three and six-month period ended June 30, 2026 and 2025 is as follows:

	2026	2025	2026	2025
	June 30 Three-month	June 30 Three-month	June 30 Six-month	June 30 Six-month
Interest on lease liabilities (note 11)	4,378	50,427	7,988	104,124
Interest on debentures and bonds	165,459	172,465	332,162	349,616
Interest on advances	-	1,625	-	53,250
Interest on credit facility	-	-	-	7,386
Interest on finance lease	(546)	(1,012)	(1,223)	(2,130)
Accretion on debentures and bonds	218,677	167,263	423,180	338,170
Interest, loan payable	-	5,121	832	12,726
Interest, short term loan	7,500	-	15,000	24,637
Total interest expense	395,468	395,889	777,939	887,779
Interest income	(3,321)	(1,502)	(3,779)	(3,040)
Miscellaneous	3,524	18,164	5,382	52,674
Total Finance costs	395,671	412,551	779,542	937,413

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20 - FINANCIAL INSTRUMENTS (CONTINUED)

20.5 Fair value

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

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

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

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the assets and liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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 \$835,485 (i.e. RMB ¥3,989,899), determined under the cost method, represents a reasonable approximation of the fair value of the investment in AVC as of June 30, 2026. Therefore, no adjustment to the carrying amount is deemed necessary.

Fair value measurements are reviewed quarterly and approved by senior management. Sensitivity analysis is performed in accordance with an internal model based on scenarios analysis (i.e. a decrease or increase of 5% of the interest rate) at the measurement date and on a recurring basis, and accounts for any significant impact. The valuation methodology is consistent with prior periods and complies with IFRS 13 guidelines. Changes in assumptions or inputs are documented and assessed for material impact. Based on the sensitivity analysis, a 5% change in interest rates would result in an impact of approximately \$27,330 in the six-month period ended on June 30, 2026 which is not considered significant.

21 - RELATED PARTY TRANSACTIONS

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

Transactions with key management personnel, officers and directors

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

	2026 June 30 Three-month	2025 June 30 Three-month	2026 June 30 Six-month	2025 June 30 Six-month
Salaries and fringe benefits	444,031	451,297	888,063	904,034
	444,031	451,297	888,063	904,034
Revenues (1)	115,189	334,172	227,321	357,439
	115,189	334,172	227,321	357,439

- (1) During the six-month period ended June 30, 2026, revenue from a related-party customer amounted to \$227,321 compared to \$357,439 for the same period in 2025 and was related to custom platform development services provided to Wuxi Dinghao Jiaye Information Technology Co., Ltd., an entity controlled by Mr. Liang Qiu, who is a Director and Officer of the Company.

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

As at June 30, 2026, and December 31, 2025 the consolidated statements of financial position includes the following amounts with related parties:

	2026 June 30	2025 December 31
Advances received from a company owned by a Director, no interest (1)	1,326,121	1,217,740
Debentures, with interest (2)	3,006,791	2,777,513
Debentures, interest payable (3)	571,213	463,463
Trade accounts payable and accruals to Directors and key management personnel (4)	1,376,230	1,424,185
Total amount owed to related parties by the Company	6,280,355	5,882,901

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21 - RELATED PARTY TRANSACTIONS (CONTINUED)

- (1) From time to time, the Company's subsidiaries in China require active funding to support their operations. If the Company was to send funds to these subsidiaries from Canada, the funds would have to either be received by the subsidiaries in the form of registered capital or loans, both of which would come with certain complexities. As foreign owned entities, the amount on capital the Company's Chinese subsidiaries are allowed to borrow from foreign companies, including from the Company, is limited, while increasing their registered capital would be a time-consuming process that would involve working with multiple government authorities. So, rather than sending urgently needed funds from the Head Office in Canada to the Chinese subsidiaries, the Company entered into a series of loan agreements with a Chinese based technology consulting company called Dinghao Jiaye Technology Inc. ("DJ Tech"), which is controlled by the CEO of the Company's Chinese Operations, Mr. Liang Qiu. During the course of 2023 to 2025, DJ Tech 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 six-month period ended June 30, 2026, DJ Tech provided \$24,252 new loans to the Company's ASH subsidiary in China. The balance of the net advances received from a company owned by a Director at no interest as at June 30, 2026 is \$1,326,121 (December 31, 2025 - \$1,217,740) and bears no interest given the fact that only licensed lenders are allowed to charge interest on loans granted to corporate borrowers as per the laws in mainland China. The advances received from a company owned by a Director is recorded in accounts payable, advances and accrued liabilities (note 10).
- (2) On August 1, 2023, the Company sold 2,598 units of convertible debentures (including 2,000 units to related parties at the time of the closing date) for gross proceeds of \$2,598,000 (including \$2,000,000 to related parties) as described in note 12.4. On September 8, 2023, the Company sold another 710 units of convertible debentures (including 700 units to related parties at the time of the closing date) for gross proceeds of \$710,000 (including \$700,000 to related parties) as described in note 12.5. On April 16, 2024, the Company sold 2,015 units of convertible debentures (including 475 units to related parties at the time of the closing date) for gross proceeds of \$2,015,000 (including \$475,000 to related parties) as described in note 12.8. The \$475,000 worth of units were used to repay advances previously received from a company owned by an Officer and Director of the Company in order to partially repay the balance owed to him by the Company (refer to note 12). The amortized cost of the debentures due to related parties totalling \$3,006,791 are recorded in Debentures (note 12).
- (3) As at June 30, 2026, \$571,213 (December 31, 2025 - \$463,463) of debentures, interest payable due to related parties are recorded in accounts payable, advances and accrued liabilities (note 10).
- (4) As at June 30, 2026, \$1,376,230 (December 31, 2025 - \$1,424,185) payable to Directors, Officers and key management personnel was recorded in accounts payable, advances and accrued liabilities in note 10 of the Company's condensed interim consolidated financial statements for the years ended June 30, 2026 and 2025. The majority of the payables relates to salary and benefits unpaid to Directors and Officers of the Company in China and Canada.

Mr. Kelong Chen and Mr. Changsheng Zhuo, both related parties of the Company, were involved in related party transactions with the Company for the six-month period ended June 30, 2026. Mr. Chen is a related party to the Company by virtue of the fact that he is a director of the Company's ASFC subsidiary; holds shares in the Company's ASFC subsidiary on behalf of the Company through a nominee shareholder agreement; is a significant shareholder and a director of Jiudong Ltd, who is a 49% minority shareholder in the Company's ASFC subsidiary; and acts as a guarantor in connection with the ASFC's lending activities, as described under the section "Credit & supply chain finance credit guaranteed". Mr. Zhuo is a related party to the Company by virtue of the fact that he is the CEO of the Company's ASFC subsidiary; is a director of the Company's ASFC subsidiary; holds shares in the Company's ASFC subsidiary on behalf of the Company through a nominee shareholder agreement; is a significant shareholder and a director of Jiudong Ltd, who is a 49% minority shareholder in the Company's ASFC subsidiary; and acts as a guarantor in connection with the ASFC's lending activities, as described under the section "Credit & supply chain finance credit guaranteed".

In March 2025, Mr. Chen and Mr. Zhuo collectively subscribed to \$220,000 of the Company's private placement financing of common shares and warrants for total gross proceeds of \$3,649,167. Their participation in the private placement represented a related party transaction, which the Company measured at fair value. As at June 30, 2026, an amount of \$158,445 (December 31, 2025 - \$136,545) was payable to each of them related to their roles as director (Mr. Chen), and director and officer (Mr. Zhuo) of ASFC. These amounts were recorded in accounts payable, advances and accrued liabilities in Note 10 of the Company's condensed interim consolidated financial statements for the six-month period ended June 30, 2026 and in the line "Trade accounts payable and accruals to Directors and key management personnel" included in the table above for related party disclosure.

Credit & supply chain finance credit guaranteed

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

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22 - SEGMENT REPORTING

The Company monitors the activities of its group of companies (the "Group") 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 has operated in China since 2018, 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.

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22 - SEGMENT REPORTING (CONTINUED)

The segment information for the six-month periods ended June 30, 2026, and 2025, are as follows:

	Six-month period ended June 30, 2026				
	Fintech Platform	Financial Services	Other	Elimination	Total
Revenues					
Financial service revenue	–	950,917	–	–	950,917
Fees and sales	373,108	–	–	–	373,108
Supply chain services	62,973,738	–	–	–	62,973,738
Other rental income from a sublease	–	–	25,721	–	25,721
Inter-segment	–	–	–	–	–
Total revenues	63,346,846	950,917	25,721	–	64,323,484
Expenses					
Depreciation and amortization	305,985	27,737	32,615	–	366,337
Finance costs	1,049	4,324	774,169	–	779,542
Expected credit loss	(61,121)	213,073	–	–	151,952
Cost of service, supply chain	57,264,493	–	–	–	57,264,493
Gain on legal settlement	–	–	(1,642,680)	–	(1,642,680)
All other expenses	818,129	105,604	2,196,553	–	3,120,286
Total expenses	58,328,535	350,738	1,360,657	–	60,039,930
Profit (loss) before tax	5,018,311	600,179	(1,334,936)	–	4,283,554
Income tax (recovery)	892,943	–	–	–	892,943
Net profit (loss)	4,125,368	600,179	(1,334,936)	–	3,390,611
Non-controlling interest	(121,375)	294,088	–	–	172,713
Net profit (loss) attributable to: Owners of the parent	4,246,743	306,091	(1,334,936)	–	3,217,898
Segmented assets	56,632,011	20,853,787	(2,314,803)	–	75,170,995

	Six-month period ended June 30, 2025				
	Fintech Platform	Financial Services	Other	Elimination	Total
Revenues					
Financial service revenue	–	68,823	–	–	68,823
Fees and sales	124,199	81,816	311,613	–	517,628
Other rental income from a sublease	–	–	26,280	–	26,280
Inter-segment	329,943	–	–	(329,943)	–
Total revenues	454,142	150,639	337,893	(329,943)	612,731
Expenses					
Depreciation and amortization	506,609	38,687	136,278	–	681,574
Finance costs	20,601	12,897	903,915	–	937,413
Expected credit loss	–	403,579	–	–	403,579
Change in fair value of debentures conversion options	(371,280)	–	371,280	–	–
Cost of service, supply chain	–	–	128,311	–	128,311
All other expenses	1,185,660	335,751	2,908,294	(329,943)	4,099,762
Total expenses	1,272,789	790,914	4,448,078	(329,943)	6,181,838
Profit (loss) before tax	(818,647)	(640,275)	(4,110,185)	–	(5,569,107)
Income tax (recovery)	(6,914)	–	–	–	(6,914)
Net profit (loss)	(811,733)	(640,275)	(4,110,185)	–	(5,562,193)
Non-controlling interest	(143,099)	(74,022)	–	–	(217,121)
Net profit (loss) attributable to: owners of the parent	(668,634)	(566,253)	(4,110,185)	–	(5,345,072)
Segmented assets	10,013,951	18,179,117	6,498,696	–	34,691,764

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22 - SEGMENT REPORTING (CONTINUED)

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

	2026 June 30	2025 December 31
	Non-current Assets	Non-current Assets
China	1,844,989	2,121,271
Canada	–	86,724
	1,844,989	2,207,995

23 - NON-CONTROLLING INTERESTS

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

	2026 June 30	2025 December 31
	% ownership and voting rights held by NCI	% ownership and voting rights held by NCI
Entities		
Asia Synergy Supply Chain Ltd. ("ASSC")	0%	49%
Asia Synergy Financial Capital Ltd. ("ASFC")	49%	49%
Beijing Kailifeng New Energy Technology Co., Ltd. ("KALIFENG")	57.5%	57.5%
Shanghai Xinhuihui 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	
	2026 June 30	2025 June 30	2026 June 30	2025 December 31
Entities				
Asia Synergy Supply Chain Ltd. ("ASSC")	57,774	(13,572)	847,802	790,027
Asia Synergy Financial Capital Ltd. ("ASFC") (1)	670,566	(192,974)	12,846,209	12,175,642
Wechain (Nanjing) Technology Service Co., Ltd. ("WECHAIN")	–	(11,895)	–	–
Kailifeng New Energy Technology Co., Ltd. ("KALIFENG")	(189,930)	(79,654)	541,621	731,553
Shanghai Xinhuihui Supply Chain Management Ltd. ("ASAC")	458	1,256	2,503	2,045
Jiangsu Supairui IOT Technology Co., Ltd. ("ASTH") (1)	(21,983)	(1,050)	(131,617)	(109,634)
	516,885	(297,889)	14,106,518	13,589,633

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

No dividends were paid to NCIs during the six-month period ended June 30, 2026 and 2025.

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23 - NON-CONTROLLING INTERESTS (CONTINUED)

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

	ASSC		ASFC		Wechain		Kaifeng		ASAC		ASTH (1)		Total	
	2026 June 30	2025 December 31	2026 June 30	2025 December 31	2026 June 30	2025 December 31	2026 June 30	2025 December 31	2026 June 30	2025 December 31	2026 June 30	2025 December 31	2026 June 30	2025 December 31
Current assets	–	2,112,437	28,176,087	25,768,410	–	–	1,788,054	1,842,542	6,907	6,775	12,272	11,520	29,983,320	29,741,684
Non-current assets	–	–	277,089	164,750	–	–	128,795	239,458	316	296	(881)	(212)	405,319	404,292
	–	2,112,437	28,453,176	25,933,160	–	–	1,916,849	2,082,000	7,223	7,071	11,391	11,308	30,388,639	30,145,976
Current liabilities	–	299,075	136,097	109,806	–	–	295,064	273,537	–	–	130,393	114,389	561,554	796,807
Non-current liabilities	–	51,057	373,898	264,474	–	–	990,825	928,110	–	–	474,498	443,522	1,839,221	1,687,163
	–	350,132	509,995	374,280	–	–	1,285,889	1,201,647	–	–	604,891	557,911	2,400,775	2,483,970
Equity attributable to owners of the parent	842,156	822,273	13,370,544	12,672,607	–	–	400,329	540,713	2,605	2,128	(526,468)	(438,536)	14,089,166	13,599,185
Non-controlling interests	847,802	790,027	12,846,309	12,175,642	–	–	541,621	731,553	2,503	2,045	(131,617)	(109,634)	14,106,518	13,589,633

	ASSC		ASFC		Wechain		Kaifeng		ASAC		ASTH (1)		Total	
	2026 June 30	2025 June 30	2026 June 30	2025 June 30	2026 June 30	2025 June 30	2026 June 30	2025 June 30	2026 June 30	2025 June 30	2026 June 30	2025 June 30	2026 June 30	2025 June 30
Revenue	–	–	950,917	68,823	–	30,657	–	–	–	–	–	–	950,917	99,480
Profit for the year attributable to the owners of the parent	–	(27)	306,092	(77,043)	–	(11,593)	(88,454)	(97,201)	–	(15)	(6,806)	(1,653)	210,832	(187,532)
Profit for the year attributable to NCIs	–	(26)	294,087	(74,022)	–	(11,139)	(119,673)	(131,507)	–	(14)	(1,701)	(413)	172,713	(217,121)
Profit (loss) for the year	–	(53)	600,179	(151,065)	–	(22,732)	(208,127)	(228,708)	–	(29)	(8,507)	(2,066)	383,545	(404,653)
Other comprehensive income ("OCI") for the year														
OCI attributable to the owners of the parent	60,132	(14,100)	391,845	(123,807)	–	(788)	(51,929)	38,326	476	1,323	(81,128)	(2,545)	319,396	(101,591)
OCI attributable to NCIs	57,774	(13,547)	376,479	(118,952)	–	(757)	(70,257)	51,853	458	1,271	(20,282)	(636)	344,172	(80,766)
OCI for the year	117,906	(27,647)	768,324	(242,759)	–	(1,545)	(122,186)	90,179	934	2,594	(101,410)	(3,181)	663,568	(182,359)
Total comprehensive income for the year attributable to the owners of the parent	60,132	(14,127)	697,937	(200,850)	–	(12,381)	(140,383)	(58,875)	476	1,308	(87,934)	(4,198)	530,228	(289,123)
Total comprehensive income for the year attributable to NCIs	57,774	(13,572)	670,566	(192,974)	–	(11,895)	(189,930)	(79,654)	458	1,256	(21,983)	(1,050)	516,885	(297,889)
Total comprehensive profit and loss for the year	117,906	(27,700)	1,368,503	(393,824)	–	(24,276)	(330,313)	(138,529)	934	2,565	(109,917)	(5,248)	1,047,113	(587,012)
Net cash used in operating activities	350,390	18,206	(1,614,388)	836,438	–	5,920	(156,750)	(244,928)	(20)	(187)	1,310	(977)	(1,419,458)	614,472
Net cash used in investing activities	–	1	(3,222)	37,224	–	249,154	(6,437)	6,818	(127)	64	(6,699)	334	(10,455)	293,595
Net cash from financing activities	(197,778)	–	(54,306)	(29,179)	–	(277,032)	–	112,407	–	–	–	–	(252,084)	(193,804)
Foreign exchange differences	1,530,518	(18,250)	1,784,122	(875,579)	–	25,357	(41,265)	5,829	152	91	(636)	637	3,272,891	(861,915)
	1,683,130	(43)	112,206	(31,096)	–	3,399	(204,452)	(119,874)	5	(32)	5	(6)	1,590,894	(147,652)

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

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24 - CONTINGENCIES

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

25 - ECONOMIC DEPENDANCE

The Company generated approximately 98% of its revenue for the six-month period ended June 30, 2026, from a single agreement. As at June 30, 2026, \$45.3 million was due from this agreement. A material change related to this agreement could significantly jeopardize the Company's financial viability.

Additionally, 100% of the Company's cost of service for the six-month period ended June 30, 2026, was concentrated among three primary suppliers. Any disruption in service, pricing changes, or contractual defaults by these suppliers could have a material adverse impact on the Company's operations and financial results.

26 - SUBSEQUENT EVENTS

26.1 Revocation of Failure to File Cease Trade Order

On July 10, 2026, the Company received from the Ontario Securities Commission ("OSC") the confirmation that it had revoked the failure to file cease trade order previously placed on the Company's securities on May 7, 2025, as a result of the Company's failure to file its audited annual financial statements, management's discussion and analysis, and related CEO and CFO certifications for the year ended December 31, 2024, within the prescribed deadline as required under National Instrument 51-102 - Continuous Disclosure Obligations and National Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings (the "FFCTO"). At market open on July 13, 2026, following the revocation of the FFCTO, the Company's securities resumed trading through the facilities of the Canadian Securities Exchange.

26.2 Private placement

On July 17, 2026, the Company closed a non-brokered private placement financing. The private placement consisted of the issuance of 30,000,000 common shares at a price of \$0.05 per share for aggregate gross proceeds of \$1,500,000.

26.3 Conversion of debentures

From July 1, 2026 to August 26, 2026, certain holders of convertible debentures converted 168 units, each carrying a \$1,000 face value, at a conversion price of \$0.25 per common share. As a result, the Company issued 672,000 common shares.

26.4 Granting of Incentive Stock Options

On July 20, 2026, the Company granted a total of 14,970,000 incentive stock options to certain directors, officers and employees to purchase common shares of the Company at a price of \$0.25 per share. The stock options will expire in July 2031 and will vest over a period of twelve months, with 40% vesting only in the 12th month. The grant marked the first issuance of stock options by the Company since 2023.

26.5 New Annual Services Agreement

On August 14, 2026, the Company announced that it had signed an agreement with Sum Hung Hang Tai Trading Ltd. ("Sum Trading") whereby Sum Trading will purchase products and services through the Company's GoldRiver platform worth a minimum of CAD\$225 million per year over a 3-year period, valuing the agreement at \$675 million over its duration (the "Agreement"). The Company expects to earn gross margins of 8% to 10% related to the Agreement.

26.6 First Royalty Payment from Chinese Subsidiary

On August 18, 2026, the Company announced that it had received a first royalty payment of approximately CAD\$110,000.00 from one of its Chinese operating subsidiaries related to the rights granted to the subsidiary to use and operate the Company's platforms in China.