



ABAXX TECHNOLOGIES INC.

**MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE THREE MONTHS ENDED
MARCH 31, 2026, AND 2025
(EXPRESSED IN CANADIAN DOLLARS)**

Introduction

The following Management's Discussion and Analysis ("MD&A") of the financial condition and results of the operations of Abaxx Technologies Inc. (the "Company" or "Abaxx") constitutes management's review of the factors that affected the Company's financial and operating performance for the three months ended March 31, 2026. This discussion should be read in conjunction with the unaudited condensed interim consolidated financial statements for March 31, 2026, together with the notes thereto (the "Financial Statements"). This MD&A is dated as of May 15, 2026, unless otherwise indicated.

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

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

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

Caution Regarding Forward-Looking Statements

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

Forward-looking statements are typically identified by words such as “expect”, “anticipate”, “believe”, “foresee”, “could”, “estimate”, “goal”, “intend”, “plan”, “seek”, “strive”, “will”, “may”, “maintain”, “achieve”, “grow”, “should” and similar expressions, as they relate to the Company and its management. Forward-looking statements reflect the Company’s current estimates, beliefs, and assumptions, which are based on management’s perception of historical trends, current conditions and expected future developments, as well as other factors it believes are appropriate in the circumstances. The Company’s expectation of operating and financial performance in 2026 is based on certain assumptions including assumptions about operational growth, anticipated cost savings, operating efficiencies, anticipated benefits from strategic initiatives, future liquidity, and planned capital investments. The Company’s estimates, beliefs, and assumptions are inherently subject to significant business, economic, competitive, and other uncertainties, and contingencies regarding future events and as such, are subject to change. The Company can give no assurance that such estimates, beliefs, and assumptions will prove to be correct.

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

- the nature of the business and industries that the Company competes in;
- limited assets, available funds, currency risk, absence of dividends, additional financing requirements, and anticipated use of those funds;
- the operational management of the Company by its directors, officers, and insiders, reliance on key personnel, limited management experience, conflict of interests with directors and management;
- the future growth, results of operations, performance, products, competition, slow acceptance of products, growth, and business prospects and opportunities of Abaxx;
- the ability of Abaxx to satisfy all conditions precedent and obtain all regulatory approvals.
- whether Abaxx will be able to execute its business strategy successfully such that the future growth, results of operations, performance, and business prospects and opportunities of Abaxx, will be as anticipated;
- Reporting Issuer Risk including Risks related to volatility of share price, and fluctuation of operating results;
- risks related to regulation by governmental authorities including political & regulatory risks;
- operations in foreign jurisdictions;

- protection of Abaxx Tech Software and IP portfolio, cybersecurity threats, hacking, server, system software failures or reliance on technical infrastructure;
- clearing house and exchange failure or the inadequacies of risk management procedures and facility developments;
- a deterioration occurs in the political or economic situation generally as a result of the Russian invasion of Ukraine, conflict in the Middle East or an act of war or hostilities, invasion, armed conflict or act of a foreign enemy, revolution, insurrection, insurgency occurs resulting in a material adverse result directly or indirectly affecting the company.
- the availability of financing opportunities and risks associated with general economic and financial conditions as well as those risks related to political insurrection and war;
- the speculative and competitive nature of the technology sector;
- limited operating history and share price fluctuations;
- Use and Storage of Personal Information and Compliance with Privacy Laws permits, contracts, licenses, political and regulatory risk;
- technical obsolescence and failure by third-party vendors of technologies;
- tax consequences;
- environmental regulations and liability;
- third-party risk, erroneous transactions, and human error;
- non-availability of insurance to properly compensate risk;
- loss of key employees, anthropogenic risks, as well as the risk caused by the inability to access and deploy available human resources competitively;
- risks related to the development of carbon markets in general, including related financial trading instruments that could be susceptible to corruption and other integrity risks;
- risks of hiring skilled, technically proficient staff and their supervision and management;
- software development risk and risk of technological change
- acquisition risk;
- limited market for securities;
- going concern risk: The risk associated with a substantial doubt about the Company's ability to continue as a going concern including its inability to meet its obligations as they come due without substantial disposition of assets outside the ordinary course of business, restructuring debt, additional equity or other funding, externally forced revisions of its operations, within the next 12 months;
- lawsuits and other legal proceedings, financial and human resource costs and challenges; and
- other factors beyond the Company's control.

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

Mission and Strategy

Abaxx is building smarter markets, empowered by better financial technology and market infrastructure, to address our biggest challenges, including the energy transformation. In addition to developing and deploying financial technologies that make communication, trade, and transactions more accessible and more secure, Abaxx is a majority owner of Abaxx Exchange and Abaxx Clearing, subsidiaries recognized by Monetary Authority of Singapore ("MAS") as a Recognised Market Operator ("RMO") and Approved Clearing House ("ACH"), respectively.

Abaxx Exchange and Abaxx Clearing are Singapore-based commodity futures exchanges and clearinghouses that introduce centrally cleared, physically deliverable commodities futures and derivatives to provide better price discovery and risk management tools for commodities critical to our transition to a lower-carbon economy.

The Company, which commenced its business operations in January 2018, has developed a business strategy comprised of core components: (i) developing new internet communication protocols and proprietary financial software architecture with a vision for global commodity market trading and (ii) commercializing the majority-owned commodity futures exchange and clearing house utilizing Abaxx-built technology, including foundational products in new liquified natural gas ("LNG") benchmark contracts, a new market structure vision for precious metals and battery materials markets, and new initiatives for enhancing environmental markets and their data. Consistent with its innovative and fresh approach, Abaxx is listed on the Cboe Canada Exchange (Cboe Canada Exchange: ABXX) as well as the OTCQX (OTCQX: ABXXF) and provides its shareholders with the potential for significant long-term value creation.

The Abaxx vision for Global Commodity Market Trading Infrastructure 3.0, which Abaxx describes as the "Commoditization of Trust®", is a software architecture that is natively comprised of novel software technologies that utilize novel machine learning and blockchain-like algorithms including deep learning and natural language processing ("DL/NPL"), self-sovereign digital identity ("ssdID"), encrypted content-addressing distributed file systems, smart contracting languages, and protocols, and distributed ledger and decentralized datastore technology ("DLT/DDS").

As a development stage business, the Company has generated eleven (11) process and software user interface patent applications. The Company has also engineered a foundational internet ssdID and messaging protocol called "ID++", and developed alpha-

stage software applications (e.g., Abaxx Console) using the Commoditization of Trust architecture in the fields of:

- ssdID based verified-credential management, authentication, and identity and access management (IDAM);
- end-to-end encrypted and compliant financial messaging and video chat, with enhanced deep learning and natural language processing applications;
- multi-cloud storage of financial data using encrypted content-addressing distributed file systems;
- ssdID-enabled electronic document and smart contract signing; and
- digital-contract custody and other financial workflow management applications.

Abaxx intends to commercialize its software technology suite and the Software and IP Portfolio through business-to-business ("B2B") strategic partnerships, where novel technologies can be applied to specific markets heavily reliant on transactional transparency, transaction execution velocity, and compliance with stringent data regulation requirements.

Abaxx Technologies currently holds a gross revenue royalty over AEX in exchange for the licensed use of its proprietary software (including the use of its intellectual property and), seeks to expand this software licensing and intellectual property royalty model into other financial service segments. While Abaxx expects to generate revenue from the licensure of its software and royalties via Abaxx Technologies.

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

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

As a result, it cannot be assured that production of the LabMag and KeMag iron ore assets can be achieved commercially or at all.

Business History

The following is a summary of the general development of the Company's business over the past year:

Key Events of 2025

FY 2025 was a milestone-driven period for Abaxx Technologies, Abaxx Exchange, and Abaxx Clearing. Below, we outline key Company dates, events, and achievements chronologically.

On January 13, 2025, the Company confirmed that trading had commenced in Nickel Sulphate Singapore futures on Abaxx Exchange, with the first block trade executed by Traxys and HNK Alpha on January 10th, 2025. Traxys and HNK Alpha traded five lots of April 2025 Abaxx Nickel Sulphate Singapore futures contracts at USD \$14,600/tonne nickel contained. The trade was brokered by StoneX Financial Pte Ltd., a subsidiary of StoneX Group Inc. (NASDAQ: SNEX).

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

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

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

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

On March 10, 2025, the Company reported that Traxys and HNK Alpha executed the first lithium carbonate futures block trade on Abaxx Exchange on March 7th, 2025. Traxys and HNK Alpha traded 20 lots of the May 2025 Abaxx Lithium Carbonate Singapore futures contract at USD\$10,300/tonne. The trade was brokered by StoneX Financial Pte Ltd., a subsidiary of StoneX Group Inc. (NASDAQ: SNEX).

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

On May 7, 2025, the Company confirmed the first successful delivery under a carbon futures contract on Abaxx Exchange. The delivery, involving 50 lots of May 2025 CORSIA¹ Phase 1 Carbon Offset Unit Futures ("CP1") priced at USD \$24.25/tCO₂e², validated the clearing, delivery, and settlement processes underpinning Abaxx Exchange's physically-deliverable futures contracts. It marked the first live exercise of Abaxx's end-to-end infrastructure for managing the transfer of environmental assets through a regulated futures market. The transaction was completed between Mercuria Energy Trading SA (METSA) and a U.S. based counterparty, with Eagle Commodities, a division of Marex, facilitating the original trade. Clearing services were provided by KGI Securities, Marex, and another bank clearing firm.

On May 13, 2025, the Company reported plans to expand Abaxx Exchange's product suite to include precious metals, beginning with launching a Gold kilobar futures contract on June 12, 2025. Abaxx Gold Singapore futures are purpose-built for Asia's physical bullion trade, reflecting the region's preferred kilobar format and supporting more accurate pricing by aligning futures settlement with physical market practices. The contract is designed to provide a globally accessible, regionally anchored benchmark that supports effective price discovery, reliable hedging, and physical delivery in one of the world's leading gold trading hubs. Abaxx's Gold Singapore futures contract is a US dollar-denominated, kilobar-sized, physically-deliverable product, with delivery into approved vaults in Singapore.

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

On June 15, 2025, the Company confirmed active trading in Abaxx Exchange's physically-deliverable Gold Singapore futures following the product's official launch on June 12, 2025. As the only physically-deliverable, U.S. dollar-denominated gold futures contract based in Asia's primary trading center of Singapore, the contract provides a regionally relevant tool for price discovery, hedging, and delivery, and offers global access to a contract designed for today's trade flows. GKS is a USD-denominated, kilobar-sized product aligned with the format preferred by the regional physical bullion trade. Deliverable into approved vaults in Singapore, the contract is purpose-built to serve refiners, industrial consumers, banks, and physical traders seeking to hedge kilobar transactions in Asia's key delivery hub.

On July 29, 2025, the Company completed a pre-feasibility study on the use of tokenized money market funds (MMFs) as financial collateral using Abaxx's proprietary ID++ and Private Digital Title technologies. The pilot tested how tokenized MMF shares — when paired with Abaxx's legal and identity infrastructure — will serve as legally enforceable, real-time collateral in regulated markets.

On September 4, 2025, the Company used its wholly owned subsidiary, Adaptive Infrastructure™ ("Adaptive"), to establish a unified custodial foundation across markets. Adaptive addresses key structural challenges across traditional financial infrastructure by offering institutional-grade custodial, settlement, and transfer agency services that consolidate ownership records and embed legal recognition into transactions. Built to support privately negotiated, registry-based, and on-exchange activity, Adaptive serves as a neutral custodial layer that reduces risk and improves reliability across asset classes.

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

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

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

in the capital of the Company (a "Share") and one half of one Share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder to purchase an additional share at a price of US\$25.00 until April 20, 2028. The proceeds of the Financing are expected to be used for general corporate and working capital purposes, including funding ongoing Abaxx Exchange and Clearing operations and additional product listings; Abaxx Private Digital Title technology pilot programs and accelerating new hires and go-to-market execution, and minimum regulatory requirements for Abaxx Exchange and Abaxx Clearing. The Financing is subject to the final approval of Cboe Canada. All securities issued under the Financing will be subject to a four-month hold period in accordance with applicable Canadian securities laws.

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

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

On October 27, 2025, the Company completed the integration of Abaxx Exchange's futures markets data into TradingView, an industry leading charting platform and social network for traders and investors. The integration connects charting and analysis tools for Abaxx's full suite of physically-deliverable futures contracts with TradingView's global community of more than 100 million users, expanding distribution and enabling market participants to follow Abaxx contracts alongside established benchmarks.

On November 14, 2025, Abaxx Exchange expanded its environmental products suite with the launch of Enwex Germany Onshore Wind futures (GWM) — the first financially-settled contracts indexed to the utilization of installed wind capacity in Germany. Developed in partnership with Enwex (Energy Weather Index), the contract provides a standardized benchmark for managing weather-related volume risk in renewable power generation. The contract is a euro-denominated, financially-settled product indexed to Enwex Wind Germany, a forecast-based index that translates wind speed at 100m into standardized generation utilization rates, expressed in €/MWh.

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

On November 24, 2025, Abaxx Technologies Inc. was included in the MSCI Canada Small Cap Index, effective as of the close of trading. The MSCI Canada Small Cap Index measures the performance of the small-cap segment of the Canadian market and covers

approximately 14% of the free float-adjusted market capitalization in Canada. MSCI's market-capitalization weighted indexes are among the most widely referenced benchmarks in the global financial industry.

On November 25, 2025, Abaxx Exchange was granted registration as a Foreign Board of Trade ("FBOT") from the U.S. Commodity Futures Trading Commission ("CFTC"). The registration permits U.S.-based futures commission merchants (FCMs), brokers, and trading firms to directly access Abaxx Exchange's regulated markets for the first time. With this designation, Abaxx's physically-deliverable futures markets are now open to the world's largest derivatives trading community, accelerating participation across the Company's growing suite of benchmark contracts.

On December 1, 2025, Abaxx Exchange completed connectivity with Stellar Trading Systems Ltd. ("Stellar"), a leading independent software vendor providing front-office execution software to global trading firms. The integration connects Abaxx's growing suite of commodity futures contracts with Stellar's low latency solutions, *spreadMachine*, *Quantum Server*, *MarketMaker*, and *Server API* products, giving traders seamless access to Abaxx markets through the Stellar ecosystem.

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

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

Abaxx Exchange recorded its highest daily trading volume to date on December 10, 2025, with 3,976 lots traded across Gold Singapore (GKS), Gulf of Mexico (GOM) LNG, North Pacific Asia (NPA) LNG, and CORSIA Phase One (CP1) carbon futures. Increased activity reflects continued onboarding across trading firms, clearing members, and brokers, alongside expanded market access following the Exchange's Foreign Board of Trade (FBOT) registration and the continued rollout of new contracts, including weather-linked futures.

Key Events of 2026 (year to date)

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

commodities, and environmental markets. The connectivity allows trading firms to position Abaxx benchmarks alongside existing gas, power, and environmental contracts and deploy their hedging and trading strategies across interconnected markets.

February 6, 2026, the Company commenced trading in Enwex ERCOT Onshore Wind (EWM) futures, extending Abaxx's weather-indexed markets into the United States. The Electric Reliability Council of Texas (ERCOT) has become one of the fastest-growing renewable power systems globally, with Texas leading the United States in installed wind capacity and total wind-generated electricity. The EWM contract gives market participants a focused hedge against weather-driven volume swings and grid-imposed curtailment, isolating wind-specific risk from broader power market drivers.

On February 24, 2026, MTS Gold Group and Kilo Capital completed the successful first delivery under the Abaxx Gold Singapore futures contract on Abaxx Exchange. Clearing services were provided by StoneX and KGI Securities, and inventory transfer for the transaction was supported by Abaxx Spot. The transaction was the first gold futures position on Abaxx Exchange carried through to physical delivery, and the first Abaxx Spot inventory transfer associated with a futures delivery. The delivery demonstrated the contract's function as a regionally anchored benchmark for price discovery and commercial risk management in the Asian physical gold market.

On February 27, 2026, trading commenced in Enwex Netherlands, France and Spain Onshore Wind futures on Abaxx Exchange, extending standardized, exchange-cleared benchmarks for managing wind generation risk across Europe's major renewable power systems. Each contract is euro-denominated and financially settled, indexed to its respective Enwex Wind country index, which measures forecast wind conditions at 100 meters and expresses standardized generation utilization rates in €/MWh.

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

As confirmed in February, the first use case for MarketOS™, Abaxx Digital Title, has already mobilized physical gold and money market fund shares as collateral through recently executed pilots. By establishing cryptographically secured, transferable evidence of ownership with embedded identity, privacy, and legal finality, Digital Title converts commodities and securities into high-velocity, yield-bearing T+0 instruments, unlocking collateral value across \$42 trillion in assets and supporting a more capital-efficient global trading system.

On March 26, 2026 Abaxx confirmed connectivity to TMX Trayport's Joule platform, integrating Abaxx futures alongside existing gas, power, and environmental contracts, supporting cross-market trading and hedging strategies within a single platform.

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

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

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

On May 1, 2026, Abaxx introduced Abaxx Labs and the release of an open-source library for agentic identity: Agents++™. Abaxx Technologies has formed Abaxx Labs as its center for engaging with the developer community and empowering users to maintain control of their identity, data, and agents in digital spaces. Abaxx Labs is sharing open-source software to promote a path built on ID++, the Company's proprietary identity protocol that implements W3C standards for decentralized identity, verifiable credentials and private data stores. The first release is the Agents++ library, a subset of the ID++ software development kit (SDK) that has been tuned for use with AI agents.

Agents++ is designed to provide the identity and authorization infrastructure to answer three questions at every interaction: who is the agent, who authorized it, and what scope does it have, while preserving the answers to these questions through a cryptographically secured audit trail. The initial release of the Agents++ open-source library supports developer implementation of the ID++ protocol for AI agents, with a path to integration with the fuller MarketOS™ suite.

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

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

umbrella structure, including a sub-fund designed to invest in USD-denominated money market instruments and short-term fixed income securities, to support the use of those fund shares as T+0 collateral within Abaxx Clearing, while allowing yield on those assets to continue to accrue.

The VCC will be a Singapore-regulated open-ended fund vehicle designed for institutional use, providing the legal structure for those fund shares to be recognized as collateral within Abaxx Clearing, subject to regulatory approval. Alta is a Singapore-licensed fund management company, and will serve as fund manager for the VCC structure.

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

On May 13, 2026, Abaxx Technologies Inc. received conditional approval to list its common shares (the "**Listing**") on the Toronto Stock Exchange ("**TSX**"). Final approval of the Listing is subject to the Company fulfilling all of the requirements of the TSX, including receipt of all required documentation on or before August 13, 2026.

Concurrently with the Listing, the Company's common shares will be delisted from Cboe Canada. Shareholders are not required to exchange their share certificates or take any other action in connection with the Listing, as there will be no change in the trading symbol or CUSIP for the common shares.

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

Overall Performance

During Q1 2026, the Company generated \$1.4 million in revenue from its exchange and clearinghouse operations. The Company continues to execute its strategic initiatives aimed at achieving profitability and anticipates increased revenue generation over the next 12 months.

On March 31, 2026, the Company had \$45.2 million in cash and cash equivalents and short-term investments, compared to \$62.6 million on December 31, 2025.

The Company reported a net loss of \$20.3 million for the three months ended March 31, 2026 ("Q1 2026"), compared to a net loss of \$8.1 million for the three months ended March 31, 2025 ("Q1 2025"). Management remains focused on expanding the Company's exchange and clearing house operations with the objective of increasing revenue generation and achieving profitability.

See below for more details on the Company's performance.

Summary of Quarterly Results

IFRS Consolidated Income Statement								
Select Data	FY 2026				FY 2025		FY 2024	
(Expressed in \$000s) except EPS	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenue	1,455	672	309	35	28	157	384	429
Operating expenses	(15,121)	(20,644)	(12,777)	(12,063)	(14,214)	(21,599)	(9,796)	(10,753)
Net Loss Before Tax	(20,316)	(10,084)	(10,560)	(17,187)	(8,080)	(25,916)	(9,709)	(8,941)
Basic Loss per Share	(0.55)	(0.26)	(0.29)	(0.49)	(0.22)	(0.74)	(0.28)	(0.26)
Diluted Loss per Share	(0.55)	(0.26)	(0.29)	(0.49)	(0.22)	(0.74)	(0.28)	(0.26)

For the three months ended March 31, 2026, compared with the three months ended March 31, 2025, the Company's operating expenses increased by \$0.9 million, or 6%. This increase in operating expenses was mainly due to a \$2.5 million increase in marketing & promotion expenses and a \$0.8 million increase in professional fees. These increases in operating expenses were offset by a \$2.1 million decrease in stock-based compensation, and a \$0.2 million decrease in salaries and wages.

The Company's operating expenses for Q1 2026 were primarily related to ongoing operational build-out activities in Singapore and Canada undertaken to support the timely execution of the Company's various projects.

a. Revenue

In Q1 2026, the Company generated \$1.4 million in revenue from its exchange and clearinghouse, compared to \$nil in the corresponding prior-year quarter.

During Q1 2026, the Company generated \$40 thousand in revenue generated from its Base Carbon Royalty agreement (Q1 2025 \$28 thousand). This agreement requires Base Carbon to pay Abaxx a 2.5% royalty for the usage of the software it developed. The royalty

is indefinite in terms and Base Carbon has the right to buy back the royalty upon the payment of US\$150 million (above or in excess of any royalty already paid) to Abaxx.

b. Net Loss After Tax

For the quarter that ended March 31, 2026, the Company recorded a net loss before tax of \$20.3 million (March 31, 2025, \$8.1 million), a quarter over quarter increase of \$12.2 million or 151%. Abaxx is a technology company with growing revenue streams in Q1 2026. The loss for the first quarter of FY 2026 was due primarily to the Company incurring regular operating expenses, such as spending on development expenses of \$1.2 million (March 31, 2025, \$1.1 million), salaries and wages of \$2.8 million (March 31, 2025, \$3 million), professional fees of \$2.4 million (March 31, 2025, \$1.6 million), travel marketing and promotion of \$3.8 million (March 31, 2025, \$1.3 million), general and administration of \$0.7 million (March 31, 2025, \$0.7 million) and license and subscription expenses \$1.5 million (March 31, 2025, \$1.5 million).

The **\$9.2 million non-cash** effect on the Q1 2026 loss was due primarily to:

- An unrealized loss on investments at fair value of **\$3 million** (March 31, 2025, \$4.7 million gain)
- Embedded derivative fair value loss of **\$2.4 million** (March 31, 2025, \$nil)
- Interest and accretion expenses on the convertible debenture of **\$1.3 million** (March 31, 2025, \$0.1 million),
- Share-based compensation expense of **\$2.5 million** (March 31, 2025, \$4.7 million)

c. Basic and Diluted Loss per Share

For the quarter ended March 31, 2026, the Company recorded basic and diluted loss per share of \$0.55 (March 31, 2025, \$0.22).

Results of Operations

Basis of Presentation

The following are the consolidated results from operations for the period ending March 31, 2026, compared to the same period in 2025.

Consolidated Financial Results

(expressed in \$000s)	Q1 2026	Q1 2025	\$ Change	% Change
Trading and settlement income	1,416	-	1,416	100%
Royalty income	40	28	12	41%
Total revenue	1,455	28	1,428	5,039%
Operating Expenses				
Research and development	1,182	1,149	34	3%
Salaries and wages	2,759	2,977	(218)	(7%)
Professional fees	2,357	1,571	786	50%
Travel, marketing and promotion	3,811	1,325	2,486	188%
General and administrative	701	719	(18)	(3%)
Share-based compensation	2,555	4,702	(2,147)	(46%)
Regulatory expenses	292	286	6	0%
License and subscription expenses	1,464	1,485	(21)	(1%)
Total operating expenses	15,121	14,214	908	6%
Operating loss for the period	(13,666)	(14,185)	519	(4%)
Foreign exchange gain (loss)	180	(40)	221	(545%)
Investment and interest income	74	73	0	1%
Other income	76	66	10	14%
(Loss) gain on investment under equity method	(292)	132	(424)	(321%)
(Loss) gain on investments at fair value	(2,964)	4,714	(7,678)	(163%)
Amortization expense	(45)	-	(45)	100%
Interest and accretion expenses	(1,302)	(94)	(1,209)	1,287%
Deferred tax expense	-	1,253	(1,253)	100%
Unrealised loss on derivatives	(2,377)	-	(2,377)	100%
Net loss for the period	(20,316)	(8,080)	(12,237)	151%

Revenue

The Company generated \$1.4 million in revenue from the exchange and clearing house during the quarter ended March 31, 2026, (\$nil in the quarter ended March 31, 2025). This is a significant milestone as the Company further develops and grows its revenue streams from the AEX system.

For the quarter ended March 31, 2026, \$40 thousand (March 31, 2025, \$28 thousand) has been earned and accrued under the royalty agreement with Base Carbon.

Research and development

The Company has concluded its material expenditure on research and development activities for its exchange and clearinghouse and is focusing on its software console suite. The research and development costs increase slightly quarter-over-quarter (Q1 2026 over Q1 2025) by \$34 thousand, or 3%. In the prior period, the Company channeled its development resources into building a world-class trading platform and clearinghouse operations. In Q1 2026, the Company is focusing on its software console suite and working with its technical partners to bring these new software solutions to market.

Salaries and wages

Abaxx continues to build out its core team of operators, managers, and support staff. During Q1 2026, staff costs decreased by \$0.2 million, or 7%, compared to Q1 2025. The decrease was caused by the impact of Canadian dollar to the US dollar and savings from a new staff incentive program. Management remains focused on aligning the workforce with the skills required to support the Company's growth, particularly in the Asia Pacific region, where efforts during the quarter were concentrated on hiring and training personnel for the exchange and clearing house operations.

Professional fees

For Q1 2026, professional fees increased by \$0.8 million or 50% compared to Q1 2025. The Company incurred fees for accounting, auditing, other professional advisory services, legal, and patent work. These professional fees were for intellectual property requirements, ongoing legal commitments, the Company's launch of new products for the Exchange and Clearing House and building a properly functioning corporate infrastructure.

Travel, marketing, and promotion

Travel, marketing, and promotion expenses increased by \$2.5 million, or 188%, quarter over quarter. The Company incurred \$1.7 million in Q1 2026 (Q1 2025: \$nil), primarily related to exchange and clearing house operations, including the development and deployment of liquidity provider programs across listed products to establish initial liquidity in key markets. These efforts were supported by expanded connectivity with clearing firms, independent software vendors (ISVs), data distribution partners, brokers, financial trading participants, and commercial trading participants.

The Company expects that this initial liquidity will attract additional participants over time, as increased liquidity typically drives further market participation and supports continued market development.

Travel, marketing, and promotion expenses also reflect investments in brand development, marketing initiatives, and the expansion of investor relations activities, including corporate communications and podcasts. The Company continues to focus on raising brand awareness and educating the market on key industry developments.

General and administrative

During Q1 2026, the Company's general and administrative expenses decreased by \$18 thousand or 3%. These expenses are mainly related to directors' and officers' insurance, public company fees, office spaces, internet services, postage, courier, delivery, communications, office equipment, mining claims renewals and provisions.

Share-based compensation

Share-based compensation expense decreased by 46%, or \$2.1 million, in Q1 2026 compared to Q1 2025. The decrease was due to RSUs and stock options granted to employees, directors, contractors, and consultants in FY 2025, and the expense was recognized over the subsequent vesting periods. Also, the Company reduced its grants of stock options and RSUs, as the stock price has increased year over year by 393%.

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

Regulatory expenses

During the period ended March 31, 2026, the Company's regulatory expenses were \$0.3 million, and remained the same as Q1 2025. These expenses mainly relate to the fee paid to Singapore's Monetary Authority for operating a Clearinghouse (ACH) and Recognised Market Operator (RMO).

License and subscription expenses

For the period ending March 31, 2026, the Company's license and subscription expenses were \$1.5 million, and only decreased by \$21 thousand over Q1 2025. These expenses are mainly related to outside firms for software services, such as data licenses, and subscriptions for the exchange and clearing house, and key software subscriptions (such as AWS, Microsoft, and Bloomberg).

Investment and interest income

During the quarter ended March 31, 2026, the Company recognized interest income of \$0.1 million (March 31, 2025, \$0.1 million) in its consolidated statement of operations and comprehensive loss. This interest income was mainly earned on regular bank account balances held during the period.

(Loss) gain on investment under equity method

The Company (a founding investor in Base Carbon Inc.) held an equity ownership of approximately 20.05% on March 31, 2026. The quoted market value for these shares in Base Carbon at March 31, 2026, was \$16 million. The Company reports its investment in Base Carbon using the equity method of accounting due to its significant influence as a result of sharing two members of the board of directors and ownership percentage in Base Carbon.

During Q1 2026, Abaxx recorded a \$0.3 million loss on its share in its equity-accounted investee as compared to a \$0.1 million gain in Q1 2025.

During the quarter ended March 31, 2026, Base Carbon revalued the carbon credits on its balance sheet to fair value, and revaluation gains and losses were accounted for using Abaxx's share of ownership.

(Loss) gain on investments at fair value

During Q1 2026, the Company recognized a \$2.7 million loss on change in investments at fair value in its consolidated statement of operations and comprehensive loss. The reason for the change was driven by a change in the quoted stock price for MineHub Technologies Inc. as of March 31, 2026.

During Q1 2026, the Company recognized a \$0.3 million loss (Q1 2025 \$nil) on change in investments at fair value in its consolidated statement of operations and comprehensive loss for its investment in Pasig & Hudson.

Interest and accretion expenses, deferred tax, and derivative

These relate to the accounting and financial reporting for the convertible debentures held at March 31, 2026.

During the quarter ending March 31, 2026, the Company incurred **Interest and accretion expenses** of \$1.3 million (March 31, 2025, \$0.1 million) in its consolidated statement of operations and comprehensive loss.

During the quarter ending March 31, 2026, the Company recorded an unrealized **loss on derivative** of \$2.4 million (March 31, 2025, \$nil) in its consolidated statement of operations and comprehensive loss.

During the quarter ending March 31, 2026, the Company recorded **deferred tax expense** of \$nil (March 31, 2025, \$1.2 million) in its consolidated statement of operations and comprehensive loss.

Liquidity and Financial Position

Capital Resources

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

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

Abaxx Technologies Inc.
Management's Discussion and Analysis
For the three months ended March 31, 2026



The following table summarizes capital resources and cash as of March 31, 2026, and March 31, 2025:

(expressed in \$000s)	March 31, 2026	December 31, 2025	\$ Change	% Change
Cash and cash equivalents	44,816	62,214	(17,398)	(28%)
Cash and cash equivalent margin deposits and guaranty funds	13,029	11,942	1,087	9%
Margin deposits and guaranty funds	(13,029)	(11,942)	(1,087)	(9%)
Short term investments	373	370	3	1%
Other receivables	1,900	660	1,241	188%
Prepaid and other assets	596	1,704	(1,108)	(65%)
Convertible note receivables	6,970	6,853	117	2%
Accounts payable and accrued liabilities	(2,747)	(5,659)	2,912	51%
Due to related party	(4,108)	-	(4,108)	100%
Net Working Capital	47,800	66,141	(18,341)	(28%)
Convertible debenture	(25,909)	(24,607)	(1,302)	(5%)
Investments at fair value	12,304	15,273	(2,969)	(19%)
Investment in associate	14,743	14,788	(45)	(0%)
Derivatives	8,564	10,942	(2,377)	(22%)
Tangible Capital	57,502	82,537	(25,035)	(30%)

At March 31, 2026, the Company had \$45.2 million in cash and cash equivalents, and short-term investments, a decrease of \$17.4 million or 28% over December 31, 2025. The net working capital on March 31, 2026, was \$47.8 million, a decrease of \$18.3 million or 28% over December 31, 2025.

Tangible Capital on March 31, 2026, was \$57.5 million, compared with \$82.5 million on December 31, 2025, a decrease of \$25.1 million, or 30%. During Q1 2026, the Company continue to invest in its operational capabilities and spent \$14.2 million on operational expenses. It also used \$7.6 million (cash and debt) in financing activities with the purchase of shares from non-controlling interests in Abaxx Singapore and acquired \$2 million of the Abaxx Singapore preferred shares.

The Company owns 20 million shares in Base Carbon (Cboe Canada Exchange: BCBN) with a market value of \$16 million on March 31, 2026. The investment in Base Carbon is recognized on the Company's balance sheet at fair value due to the IFRS reporting requirements for investment in an associate entity, which must be accounted for under the equity method.

Cash Flow Summary

(expressed in \$000s)	Q1 2026	Q1 2025	\$ Change	% Change
Net cash provided by (used in)				
Operating activities	(14,186)	(12,441)	(1,745)	(14%)
Financing activities	(4,398)	22,672	(27,071)	(119%)
Change in cash and cash equivalents	(18,584)	10,231	(28,815)	(282%)

Operating Activities

For Q1 2026, the Company used \$14.2 million in cash for operating activities, a decrease of \$1.8 million or 14% compared to Q1 2025. This was due to a net loss of \$20.3 million adjusted for share-based compensation of \$2.6 million, share of loss on investment under equity methods of \$0.3 million, loss on investments at fair value of \$3 million, interest and accretion expenses \$1.3 million, loss on derivatives \$2.3 million and changes in operating assets and liabilities \$3 million. The Company continues to invest and build its operational capabilities during the March 31, 2026, quarter.

Investing Activities

For the period ending March 31, 2026, the Company did not undertake any investing activities. (March 31, 2025, \$nil).

Financing Activities

For the period ended March 31, 2026, the Company received \$1.1 million from the exercise of stock options (March 31, 2025, \$0.2 million).

The Company used \$3.5 million in financing activities with the purchase of shares from non-controlling interests in Abaxx Singapore and acquired \$2 million of the Abaxx Singapore preferred shares.

For the period ended March 31, 2025, the Company closed the first tranche (the "First Tranche") of its non-brokered private placement (the "Offering") of secured convertible debentures (the "Debentures") for aggregate gross proceeds of \$22.8 million. The outstanding principal amount of the Debentures, together with any accrued and unpaid interest, will become due and payable in full on March 26, 2028 (the "Maturity Date") and will be payable in cash. Each Debenture consists of \$1,000 principal amount of secured convertible debentures of the Company and is convertible into common shares of the Company (each, a "Debenture Share") at the option of the holder thereof before the Maturity Date at a conversion price equal to \$13.00 per Debenture Share (the "Conversion Price").

The Company has the right to redeem the Debentures at redemption price equal to 105% of the principal amount of the outstanding Debentures plus any accrued and unpaid interest to the date prior to the date of redemption: (a) at any time, should the volume

weighted average price ("VWAP") of the Company's common shares exceed 130% of the Conversion Price for no fewer than 20 out of 30 consecutive trading days, or (b) after March 26, 2027.

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

Commitments and Contractual Obligations

Royalty Payments

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

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

As of March 31, 2026, Abaxx Singapore has generated \$1 million revenue, and as such, an accrual has started for royalties.

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

Transfer of Intellectual Property and License Agreement

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

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

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

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

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

Payments from Abaxx Singapore under these agreements are due monthly to the Company. As of March 31, 2026, Abaxx Singapore has accrued no significant amounts, under either a royalty agreement or the MLA.

The Company has not recorded the material benefits under either of these agreements and as of March 31, 2026, no material revenue has been generated from the Exchange Technology.

As of the period ended March 31, 2026, this agreement does not impact the Company's consolidated financial statements.

Contingency

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

Subsequent event

On May 13, 2026, the Company received conditional approval to list its common shares (the "Listing") on the Toronto Stock Exchange ("TSX"). The final approval of the Listing is subject to the Company fulfilling all of the requirements of the TSX, including receipt of all required documentation on or before August 13, 2026. Concurrently with the Listing, the Company's common shares will be delisted from Cboe Canada. The shareholders of the Company are not required to exchange their share certificates or take any other action in connection with the Listing, as there will be no change in the trading symbol or CUSIP for the common shares.

Off-Balance Sheet Arrangements

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

Critical Accounting Estimates

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

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

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

Share-based payments

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

Investments

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

Derivatives

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

Fair value of financial instruments

The individual fair values attributed to the different components of a financing transaction, and/or derivative financial instruments, are determined using valuation techniques. The Company uses judgment to select the methods used to make certain assumptions and in performing the fair value calculations in order to determine (a) the values attributed to each component of a transaction at the time of their issuance; (b) the fair value measurements for certain instruments that require subsequent measurement at fair value on a recurring basis; and (c) for disclosing the fair value of financial instruments

subsequently carried at amortized cost. These valuation estimates could be significantly different because of the use of judgment and the inherent uncertainty in estimating the fair value of these instruments that are not quoted in an active market.

Consolidation

Judgment is applied in assessing whether the Company exercises control and/or has significant influence over the entities in which the Company directly or indirectly owns an interest. The Company has control when it has the power over the subsidiary, has exposure to rights or variable returns and has the ability to use its power to affect the returns. Significant influence is defined as the power to participate in the financial and operational decisions of the subsidiaries. Where the Company is determined to have control, these entities are consolidated. Additionally, judgment is applied in determining the effective date on which control, or significant influence was obtained.

Investment in associate

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

Political and Economic Risk

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

Capital risk management

The Company manages its capital with the following objectives:

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

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

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

The Company considers its capital to be equity, comprising share capital, contributed surplus, reserves, non-controlling interest, cumulative other comprehensive income, and deficit, which totaled \$82.9 million as of March 31, 2026, (March 31, 2025, \$42 million).

The Company manages capital through its financial and operational forecasting processes. It reviews its working capital and forecasts its future cash flow based on operating expenditure and other investment and financing activities. The company's approach to capital risk management did not change during the three months ended March 31, 2026, and it is not subject to any externally imposed capital requirements.

Related Party Transactions

The Company considers key management to be officers and directors. During the period March 31, 2026, \$228,743 (March 31, 2025, \$131,310) of fees were incurred from key management and companies controlled by or related to key management.

Key management and directors received \$700,563 and \$289,245, respectively, in share-based compensation during the period March 31, 2026 (March 31, 2025, \$773,979 and \$260,039, respectively).

Due to related party represents an amount \$4,107,629 owing to an entity related to the Company through a director of the Company. The balance is unsecured, and non-interest bearing. The related party balance arose from sale of share in the subsidiary of the Company (Abaxx Singapore Pte) during the quarter ended March 31, 2026.

The amounts are repayable on maturity in 12 months (March 2027) from date of issuance and are expected to be settled in cash.

Related party transactions were conducted in the normal course of business and measured at the exchange amount, which is the amount agreed to by the related parties.

Outstanding Share Capital Data

As of the date of this MD&A, the Company had 37,075,731 common shares issued and outstanding, 3,803,510 options outstanding, each option exercisable for the purchase of one common share, 2,122,764 RSUs, each exercisable for one common share outstanding.

Risks and Uncertainties

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

Nature of Business; Limited Operating History and Financial Resources; Dividends Reporting Issuer Risk; Limited Assets; Limited Market for Securities; Risks related to insurance of Abaxx's operations; Additional Financing Requirements; Exposure and Sensitivity to Macro-Economic Conditions; Risks related to regulation by governmental authorities; insurrection and war; anthropogenic and carbon market related risk; Operations in Foreign Jurisdictions; Protection of Abaxx Tech Software and IP Portfolio; Global Financing Conditions; Acquisition Risk; Risks related to volatility of share price, absence of dividends and fluctuation of operating results; Competition; Growth Risk; Risks related to conflicts of interest; Political Regulatory Risks; Currency Risk; Contractual Risk; Profitability Risks related to value of securities; Tax Amendment Risk; Litigation Risks; Going Concern Risk Economic environment and global economic risk; Market for Securities; Third Party Risk Clearinghouse Risk; Inadequacy of Risk Management Procedures; Malicious Actor Risk; Third-party Software License Risk; Competitive Risks for Abaxx Tech; Competitive Risks for AEX System Failure Risk; Security Threats; Limited Management Experience; Reliance on Management and Key Personnel; Software Development Risk; Undetected Error Risk; Risk of Technological Change; Dependence of Technical Infrastructure; Use and Storage of Personal Information and Compliance with Privacy Laws; Slow Acceptance of Products; Going Concern Risk;

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

Disclosure Controls and Procedures

The Company's disclosure controls and procedures are designed to provide reasonable assurance that information is accumulated and communicated to the Company's management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. As of March 31, 2026, the Company's management, with the participation of the Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of its disclosure controls and procedures, as defined under the Canadian securities regulatory authorities, and have concluded that the Company's disclosure controls and procedures are effective.

Internal control over financial reporting (ICFR)

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

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit the preparation of financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and that receipts and expenditures are being made only in accordance with authorizations of management and directors of the Company; and
- provide reasonable assurance regarding the prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could materially affect the financial statements.

All control systems contain inherent limitations, no matter how well designed. As a result, the Company's management acknowledges that its internal control over financial reporting will not prevent or detect all misstatements due to error or fraud. In addition, management's evaluation of controls can provide only reasonable, not absolute, assurance that all control issues that may result in material misstatements, if any, have been detected. Our management under the supervision of our CEO and CFO has evaluated the design of our ICFR based on the Internal Control – Integrated Framework issued in 2013 by the Committee of Sponsoring Organizations of the Treadway Commission. As at March 31, 2026, management assessed the design of our ICFR and concluded that our ICFR is appropriately designed, and no material weaknesses have been identified.

Changes in internal control over financial reporting

There have been no changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting during the period ended March 31, 2026.

Additional Information

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