



Axion Ventures Inc.

Condensed Consolidated Interim Financial Statements (Expressed in United States Dollars)

For the Three and Nine Months Ended September 30, 2025 and 2024
(Unaudited)

Axion Ventures Inc.

Condensed Consolidated Interim Financial Statements (Unaudited)

(Expressed in United States Dollars)

Notice to Reader

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of Axion Ventures Inc. (the "Company") have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Vancouver, Canada

November 28, 2025

Axion Ventures Inc.**Condensed Consolidated Interim Statements of Loss and Comprehensive Loss**

(Expressed in United States Dollars)

For the Three and Nine Months Ended September 30, 2025 and 2024 (Unaudited)

	Notes	Three months ended September 30,		Nine months ended September 30,	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Revenue	3	1,368	1,180	3,866	3,678
Cost of sales		(654)	(631)	(1,991)	(1,919)
Gross profit		714	549	1,875	1,759
Research and development expenses		(60)	(184)	(335)	(467)
Selling and distribution expenses		(77)	(74)	(244)	(277)
General and administrative expenses		(720)	(558)	(2,043)	(1,853)
Share-based compensation	12	(117)	-	(347)	(2,880)
Litigation fees		(378)	(133)	(764)	(372)
Loss from operations		(638)	(400)	(1,858)	(4,090)
Other income (loss)		(17)	3	22	15
Finance expense		(201)	(154)	(466)	(475)
Finance income		-	78	-	219
Foreign currency exchange gain (loss)		270	131	(292)	344
Impairment of investment	7	(176)	-	(176)	-
Loss for the period		(762)	(342)	(2,770)	(3,987)
Other comprehensive income:					
<i>Item that will or may be reclassified to profit or loss:</i>					
Exchange difference arising on translation of foreign operations		(194)	(362)	153	(333)
Other comprehensive income for the period, net of tax		(194)	(362)	153	(333)
Total comprehensive loss		(956)	(704)	(2,617)	(4,320)

Axion Ventures Inc.**Condensed Consolidated Interim Statements of Loss and Comprehensive Loss**

(Expressed in United States Dollars)

For the Three and Nine Months Ended September 30, 2025 and 2024 (Unaudited)

	Notes	Three months ended September 30,		Nine months ended September 30,	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Income (loss) for the period attributable to:					
Owners of the Company		(780)	(281)	(3,124)	(3,827)
Non-controlling interests		(18)	(61)	354	(160)
		<u>(762)</u>	<u>(342)</u>	<u>(2,770)</u>	<u>(3,987)</u>
Total comprehensive income (loss) attributable to:					
Owners of the Company		(974)	(442)	(2,856)	(4,037)
Non-controlling interests		18	(262)	239	(283)
		<u>(956)</u>	<u>(704)</u>	<u>(2,617)</u>	<u>(4,320)</u>
Loss per share attributable to owners of the Company	5				
Basic and diluted		(0.31 cents)	(0.10 cents)	(1.24 cents)	(1.46 cents)

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

Axion Ventures Inc.**Condensed Consolidated Interim Statements of Financial Position**

(Expressed in United States Dollars)

As at September 30, 2025 and December 31, 2024 (Unaudited)

		September 30, 2025	December 31, 2024
	Notes	\$'000	\$'000
Assets			
Current assets			
Cash and cash equivalents		5,171	4,685
Trade receivables and other	6	435	546
Investments	7	2,522	1,864
		<u>8,128</u>	<u>7,095</u>
Non-current assets			
Intangible assets		24	5
Property and equipment		46	52
Right-of-use assets		281	506
Investments	7	218	218
		<u>569</u>	<u>781</u>
		8,697	7,876
Liabilities			
Current liabilities			
Trade and other payables	8	5,880	5,244
Loans and advances payable	9	10,516	10,023
Subscription receipts payable	11	547	313
Deferred revenue		1,632	1,753
Debentures payable	10	909	909
Lease liabilities — current		237	305
		<u>19,721</u>	<u>18,547</u>
Non-current liabilities			
Debentures payable	10	3,322	3,129
Lease liabilities		54	212
		<u>23,097</u>	<u>21,888</u>
Deficiency			
Share capital		49,180	47,298
Foreign currency translation reserve		(452)	(720)
Share-based payment reserve		6,237	5,890
Accumulated losses		(66,415)	(63,291)
		<u>(11,450)</u>	<u>(10,823)</u>
Non-controlling interests		(2,950)	(3,189)
		<u>(14,400)</u>	<u>(14,012)</u>
		8,697	7,876

*General information and going concern (note 1)**Contingencies (note 15)**Subsequent events (note 16)*

The unaudited condensed consolidated interim financial statements were approved and authorized for issue by the Board of Directors on November 28, 2025 and were signed on its behalf by:

/s/ Kunio Hamada**Kunio Hamada, Director**/s/ Stephen R. Willey**Stephen R. Willey, Director**

See accompanying notes to these unaudited condensed consolidated interim financial statements.

Axion Ventures Inc.
Condensed Consolidated Interim Statements of Changes in Deficiency

(Expressed in United States Dollars)

For the Nine Months Ended September 30, 2025 and 2024 (Unaudited)

	Share capital \$'000	Foreign currency translation reserve \$'000	Share- based payment reserve \$'000	Accumulated losses \$'000	Total \$'000	Non- controlling interests \$'000	Total deficiency \$'000
At January 1, 2025	47,298	(720)	5,890	(63,291)	(10,823)	(3,189)	(14,012)
Comprehensive income (loss) for the period							
Income (loss) for the period	-	-	-	(3,124)	(3,124)	354	(2,770)
Exchange difference arising on translation of foreign operations	-	268	-	-	268	(115)	153
Total comprehensive income (loss) for the period	-	268	-	(3,124)	(2,856)	239	(2,617)
Contributions by and distributions to owners							
Shares issued on subscription agreements, net (note 11)	1,882	-	-	-	1,882	-	1,882
Recognition of equity-settled share-based payments (note 12)	-	-	347	-	347	-	347
Total contributions by and distributions to owners	1,882	-	347	-	2,229	-	2,229
At September 30, 2025	49,180	(452)	6,237	(66,402)	(11,450)	(2,950)	(14,400)
At January 1, 2024	39,645	(90)	3,010	(60,576)	(18,011)	(2,935)	(15,557)

Axion Ventures Inc.

Condensed Consolidated Interim Statements of Changes in Deficiency

(Expressed in United States Dollars)

For the Nine Months Ended September 30, 2025 and 2024 (Unaudited)

	Share capital \$'000	Foreign currency translation reserve \$'000	Share- based payment reserve \$'000	Accumulated losses \$'000	Total \$'000	Non- controlling interests \$'000	Total deficiency \$'000
Comprehensive income for the period							
Loss for the period	-	-	-	(3,827)	(3,827)	(160)	(3,987)
Exchange difference arising on translation of foreign operations	-	(210)	-	-	(210)	(123)	(333)
Total comprehensive income for the period	-	(210)	-	(3,827)	(4,037)	(283)	(4,320)
Contributions by and distributions to owners							
Shares issued for convertible notes receivable (notes 7 and 11)	3,785	-	-	-	3,785	-	3,785
Shares issued on subscription agreements (note 11)	945	-	-	-	945	-	945
Shares issued to settle notes payable (notes 9 and 11)	4,447	-	-	-	4,447	-	4,447
Recognition of equity-settled share-based payments	-	-	2,880	-	2,880	-	2,880
Total contributions by and distributions to owners	9,177	-	2,880	-	12,057	-	12,057
At September 30, 2024	48,822	(300)	5,890	(64,403)	(9,991)	(3,218)	(13,209)

See accompanying notes to these unaudited condensed consolidated interim financial statements

Axion Ventures Inc.**Condensed Consolidated Interim Statements of Cash Flows**

(Expressed in United States Dollars)

For the Nine Months Ended September 30, 2025 and 2024 (Unaudited)

	Notes	2025 \$'000	2024 \$'000
Cash flows from operating activities			
Loss for the period		(2,770)	(3,987)
Adjustments for non-cash items:			
Depreciation of plant and equipment		24	32
Depreciation of ROU asset		229	274
Amortisation of intangible assets		6	11
Accretion of debenture payable		193	-
Share-based payment	12	347	2,880
Impairment of investment	7	176	-
Unrealized foreign exchange		134	(262)
Finance expense		10	19
		<u>(1,651)</u>	<u>(1,043)</u>
Changes in non-cash working capital:			
Trade and other receivables		111	(302)
Trade and other payables		681	771
Deferred revenue		(121)	69
Net cash provided by (used in) operating activities		<u>(980)</u>	<u>(505)</u>
Investing activities			
Investments	7	(766)	-
Purchase intangibles		(25)	-
Purchase equipment		(16)	(10)
Net cash used in investing activities		<u>(807)</u>	<u>(10)</u>
Financing activities			
Shares issued on private placements, net	11	1,882	945
Subscriptions payable	11	197	452
Loans and advances payable	9	300	-
Lease payments		(238)	(276)
Net cash from financing activities		<u>2,141</u>	<u>1,121</u>
Net increase in cash and cash equivalents		354	606
Cash and cash equivalents — beginning of period		4,685	3,825
Exchange difference on cash and cash equivalents		132	17
Cash and cash equivalents — end of period		<u>5,171</u>	<u>4,448</u>

See accompanying notes to these unaudited condensed consolidated interim financial statements.

Axion Ventures Inc.

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in United States Dollars)

For the Three and Nine Months Ended September 30, 2025 and 2024

1. General information and going concern

Axion Ventures Inc. ("Axion Ventures" or the "Company") was incorporated under the British Columbia Business Corporations Act on June 21, 2011, is domiciled in Canada and was originally classified as a Capital Pool Company ("CPC") as defined in Policy 2.4 of the TSX Venture Exchange ("TSX-V" or the "Exchange").

The Company applied for and received conditional approval to list its common shares (the "Common Shares") on the Neo Exchange Inc., operating as Cboe Canada ("Cboe Canada"). The completion of the Company's listing is subject to a number of conditions, including completion of a financing, the acquisition of a 50% interest in H2CI-KuniUmi Asia Inc. (note 7) and satisfaction of all standard listing requirements of Cboe Canada.

The Company received approval from the TSX Venture Exchange (the "TSX-V") to voluntarily delist its Common Shares from trading on the TSX-V effective November 29, 2023, following the requisite approval of such application from the majority of minority shareholders of the Company at the annual general and special meeting of shareholders held on February 16, 2023. Following the Company's delisting from the TSX-V, the Company will continue as an unlisted reporting issuer under Canadian securities laws until such time as the Company completes its listing on Cboe Canada.

The address of the Company's corporate office and principal place of business is Suite 1000 - 595 Burrard Street, Vancouver, British Columbia, V7X 1S8, Canada.

These condensed consolidated interim financial statements have been prepared on a going concern basis. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Company has experienced significant losses, has a working capital deficiency (current assets less current liabilities) of approximately \$11.6 million, and negative cash flows from operations, is in default on \$0.9 million of convertible debts (note 10) plus accrued interest and is a party to certain legal disputes (note 15). These circumstances indicate the existence of a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern, and therefore, the Company may not be able to realise its assets and discharge its liabilities in the normal course of business.

The Company's ability to continue as a going concern is dependent upon its ability to generate profits and positive cash flows from operations, obtaining additional funding from financing arrangements and successfully resolving certain legal issues (note 15). However, there can be no assurance that these activities will be successful or that financing will be available on terms acceptable to the Company. The consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these consolidated financial statements, then adjustments would be necessary to the carrying values and classification of assets and liabilities, and such adjustments could be material.

2. Statement of compliance and basis of presentation

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"), applicable to preparation of interim financial statements including International Accounting Standard 34 — Interim Financial Reporting ("IAS 34"). Accordingly, certain disclosures included in annual financial statements prepared in accordance with IFRS have been condensed or omitted. These condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2024.

The accounting policies and methods of computation used in the preparation of these condensed consolidated interim financial statements are consistent with those used in the annual financial statements for the year ended December 31, 2024. These condensed consolidated interim financial statements are presented in thousands of United States Dollars ("US\$"), unless otherwise stated. References to Canadian Dollars are indicated by "C\$".

The Group's management makes judgements in the process of applying the Group's accounting policies in the preparation of these condensed consolidated interim financial statements. In addition, the preparation of the financial

Axion Ventures Inc.

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For the Three and Nine Months Ended September 30, 2025 and 2024

data requires that the Group's management makes assumptions and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported results during the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates and the resulting impact on the carrying amounts of the Group's assets and liabilities are accounted for prospectively.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are consistent with those presented in the Company's audited consolidated financial statements for the year ended December 31, 2024.

These condensed consolidated interim financial statements for the three and nine months ended September 30, 2025, and 2024 were authorized for issue by the Board of Directors of the Company on November 28, 2025.

3. Revenue

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Game operation	588	708	1,872	2,088
Outsourcing	710	472	1,931	1,566
Licensing	69	-	63	24
	<u>1,368</u>	<u>1,180</u>	<u>3,866</u>	<u>3,678</u>

4. Segment information

An operating segment is a component of the Group that is engaged in business activities from which the Group may earn revenue and incur expenses and is defined on the basis of the internal management reporting information that is provided to and regularly reviewed by the executive directors in order to allocate resources and assess performance of the segment. During the year, executive directors regularly review revenue and operating results derived from outsourcing, licensing, game operation, and training, which are considered as one single operating segment.

The Group's revenue from external customers and information about its non-currents assets by geographical location are detailed below.

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
By country/region				
China	610	735	1,997	2,205
Rest of the world	757	445	1,869	1,473
Total revenue	<u>1,368</u>	<u>1,180</u>	<u>3,866</u>	<u>3,678</u>

Axion Ventures Inc.**Notes to the Condensed Consolidated Interim Financial Statements**

(Expressed in United States Dollars)

For the Three and Nine Months Ended September 30, 2025 and 2024

	September 30, 2025 \$'000	December 31, 2024 \$'000
By country/region		
Canada (Place of domicile)	219	219
China	330	532
Rest of the world	20	30
Non-current assets	569	781

5. Loss per share

The calculation of basic and diluted loss per share is based on the following data:

	Three months ended September 30,		Nine months ended September 30,	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Numerator				
Loss for the period attributable to the owners of the Company in basic and diluted EPS	(780)	(281)	(3,124)	(3,827)
Denominator				
Weighted average number of ordinary shares used in basic and diluted loss per share (000's)	252,782	272,399	251,824	262,538

The Company has a number of share options which have not been included in the diluted loss per share calculation, due to their anti-dilutive effect.

6. Trade receivables and other

	September 30, 2025 \$'000	December 31, 2024 \$'000
Trade receivables — net of expected credit losses	144	124
Deposits (note 15c)	93	265
Prepaid expenses	77	59
Other	121	98
	435	546

Axion Ventures Inc.

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in United States Dollars)

For the Three and Nine Months Ended September 30, 2025 and 2024

7. Investments

	September 30, 2025 \$'000	December 31, 2024 \$'000
Current		
Advances receivable (a)	1,350	1,306
Advances receivable (b)	802	387
Advances receivable (c)	370	-
Convertible note receivable (d)	-	171
	<u>2,522</u>	<u>1,864</u>
Long-term		
Investment (e)	<u>218</u>	<u>218</u>
	<u>2,740</u>	<u>2,082</u>

(a) Investment in H2CI-KuniUmi Asia, Inc. ("H2CI-KU")

On October 27, 2021, the Company entered into an agreement with KUAM (Hong Kong) Investment 02 Ltd. ("KUAM2"), a related party, to acquire a 50% interest in H2CI-KuniUmi Asia Inc., a Canadian federally-incorporated entity, for nominal consideration and a trailing earnout as defined in the agreement. The agreement is expected to close prior to the Company completing a listing on the Cboe Canada or an alternate public listing.

To December 31, 2022, the Company had advanced approximately \$1,193 thousand (2021 — \$563 thousand) in the form of unsecured, non-interest-bearing advances in relation to the construction of the plant and equipment related to the hydrogen extraction process. Effective December 31, 2022, KUAM (Hong Kong) Investment 01 Ltd. ("KUAM") agreed to offset these advances against amounts advanced by KUAM (note 9) to the Company and thereby assume these advances receivable. As a result, the Company no longer had any balance receivable, related to these advances, as at December 31, 2022. KUAM, at its election, on the closing of the October 27, 2021, agreement between KUAM2 and the Company, may cause the Company to reacquire these advances receivable.

At September 30, 2025, the Company advances are in the form of unsecured, non-interest-bearing, and are due on demand. KUAM has provided the Company the ability to call upon KUAM to assume these advances as an offset against any amounts owing to KUAM (note 9) at the date of the call or to increase its funding to the Company to cover any shortfall.

(b) Advances receivable

To September 30, 2025, the Company advanced approximately \$802 thousand to a Japanese entity, involved in the energy storage industry as the Company investigates a possible investment in the entity. The advances are non-interest bearing and due on demand.

(c) Advances receivable

To September 30, 2025, the Company advanced approximately \$370 thousand to an entity incorporated in Singapore, involved in the renewable energy company that focuses on developing and executing biomass-to-energy projects as the Company investigates a possible investment in the entity. The advances are non-interest bearing and due on demand.

Axion Ventures Inc.**Notes to the Condensed Consolidated Interim Financial Statements**

(Expressed in United States Dollars)

For the Three and Nine Months Ended September 30, 2025 and 2024**(d) Convertible note receivable**

On February 8, 2024, and April 26, 2024, the Company issued a total of 24,600,000 common shares from treasury at a fair value of \$182 thousand (C\$246 thousand), in exchange for convertible notes receivable ("notes") with a face or stated value of \$3,785 thousand (C\$5,100 thousand) owing by a private company, involved in game development. The notes bear interest at 8% per annum and are due on demand. The notes are convertible to common shares of the private company. The notes are a hybrid instrument with a host debt component and an embedded derivative (the conversion option). Due to the short-term nature of the instrument, the fair value is considered to be equal to the carrying amount, adjusted for foreign exchange movements. The discount on the acquisition of the notes has not been accreted during the year given the demand nature of the instruments. A full valuation allowance has been recorded against the principal and interest earned at the stated rate of the notes.

(e) Investment in Innovega Inc. ("Innovega")

The Company's initial note receivable investment in Innovega was converted into Series Seed Preferred Shares pursuant to the Series Seed Preferred Stock Purchase Agreement dated December 29, 2016. As at September 30, 2025, the Company holds approximately 0.78% (December 31, 2024 — 0.81%) of Innovega's total issued and outstanding shares and granted options (fully diluted basis). The fair value of the investment determined by management was \$218 thousand as at September 30, 2025 (December 31, 2024 — \$218 thousand). Innovega is a related party with a director in common.

8. Trade and other payables

	September 30, 2025 \$'000	December 31, 2024 \$'000
Trade payables	1,458	1,199
Accrued salaries and benefits	2,218	1,925
Accrued expenses and other payables	2,201	2,117
Other tax liabilities	3	3
	5,880	5,244

9. Loans and advances payable

	September 30, 2025 \$'000	December 31, 2024 \$'000
Red Anchor Trading Corp. ("RA Trading") (i) (vii)	5,050	5,049
Cern One (i) (vii)	2,013	2,013
Nithinan Boonyawattapisut (ii) (ix)	474	448
Disputed loans and advances	7,537	7,510
KUAM (iii)	498	482
True Corporation (iv)	62	58
A shareholder of Axion Games Limited (v)	1,752	1,624
A director of the Company (vi)	265	250
Promissory note payable (vii)	200	-
Promissory note payable (viii)	100	-
Other	102	99
	10,516	10,023

Axion Ventures Inc.**Notes to the Condensed Consolidated Interim Financial Statements**

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- (i) The Company's former CEO purportedly entered into loan agreements with two entities that were controlled by him and/or his spouse. The former CEO of the Company entered into these loan agreements without the approval of the full board of directors of the Company. These parties have filed a civil claim against the Company to collect the amounts purported to be owing (note 15a). The Company has filed a claim for Breach of Fiduciary Duty Causing Harm (note 15c) for among other things entering into these loans as well as demanding repayment of the loans by a discounted shares for debt exchange.
- (ii) On February 21, 2022, Nithinan Boonyawattapisut, the former CEO of True Axion Interactive Ltd. ("TAI") and the spouse of the former CEO, filed for arbitration in Thailand to collect the outstanding loans and interest owing pursuant to loan agreements, with interest ranging from 5.85% to 6.10% per annum. On January 16, 2023, the Arbitral Tribunal ordered that the arbitration proceedings be stayed pending the outcome of court proceedings in the BC Supreme Court (note 15).
- (iii) A company controlled by an insider of the Company advanced these funds on an unsecured, no fixed terms of repayment and non-interest-bearing basis.
- (iv) Unsecured promissory note payable, with interest at 6.10% per annum, due on demand.
- (v) \$627 thousand of this balance is subject to an unsecured loan agreement bearing interest at 8% per annum, demand for which was received during the period; and \$1,125 thousand is subject to an unsecured loan agreement bearing interest at 8% per annum.
- (vi) Unsecured promissory note payable to a subsidiary of a related party, with interest at 7.75% per annum, due on demand.
- (vii) Unsecured promissory note payable, with interest at 15% per annum, due December 1, 2025.
- (viii) Unsecured promissory note payable, with interest at 15% per annum, due March 1, 2026.
- (ix) Subject to the ongoing legal disputes between the parties (note 15).

10. Debentures payable

	September 30, 2025 \$'000	December 31, 2024 \$'000
Current		
Loan 1 ("CB 1") matured on March 2, 2020	909	909
Long-term		
Loan 2 ("CB 2") matures on May 1, 2026 (see below)	3,322	3,129
	4,231	4,038

CB 1

On March 2, 2018, the Company issued CB 1 with principal amount of \$909 thousand. CB 1 was convertible into common shares of the Company, until the loan matured on March 2, 2020. From maturity date, the loan bears interest at the rate of 8% per annum, payable semi-annually.

The Company has not yet paid the balance owing at the March 2, 2020, maturity and has not renegotiated the terms of repayment and is in default on the debenture payable. The Company has accrued \$430 thousand of interest from the maturity date to September 30, 2025.

CB 2

On July 19, 2018, the Company issued CB 2 with principal amount of \$3 million. CB 2 was convertible into common shares of the Company, until the loan matured on July 19, 2020.

On February 9, 2023, the Company made a partial payment of approximately \$222 thousand on the accrued interest owing. The Company accrued \$847 thousand of interest at the 8% rate per the original convertible debenture from the maturity date to December 31, 2024, and at December 31, 2024, the accumulated interest owing was \$1,327 thousand (2023: \$1,086 thousand), including the \$480 thousand of interest owing at the original maturity date.

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For the Three and Nine Months Ended September 30, 2025 and 2024

On December 31, 2024, the parties to the loan re-negotiated the terms such that interest was capped at the \$480 thousand owing at the original maturity of the loan, capitalized to the loan balance and the amount is now non-interest-bearing and payable by May 1, 2026. The loan is no longer convertible, and the maturity date may be accelerated if the Company completes a public listing before the maturity date. The Company determined that the old loan was extinguished for accounting purposes and replaced by the new loan. As a result, the Company recorded a gain on settlement of the accrued interest owing on the loan in the amount of \$847 thousand. As the loan is non-interest bearing, the Company present-valued the obligation at 8% per annum and recorded an additional gain of \$351 thousand, for a total gain on settlement of \$1,198 thousand.

As at September 30, 2025, the loan is carried at \$3,322 thousand (December 31, 2024 — \$3,129 thousand) and will be accreted over the remaining term to maturity to the maturity amount of \$3,480 thousand.

11. Share capital

Issued

	Number	\$'000
December 31, 2023	255,893,504	39,645
Issued for convertible note receivable (note 7b)	24,000,000	182
Shares recovered and cancelled pursuant to court orders (note 15c)	(26,053,490)	-
Shares reissued pursuant to court orders (notes 15c and 15e)	3,587,126	-
Shares issued on subscription agreements (below)	8,429,392	3,024
Shares issued to settle notes payable (below)	12,167,101	4,447
Net shares to be cancelled pursuant to court orders (notes 15c and 15e)	(31,086,287)	-
December 31, 2024	247,537,346	47,298
Shares issued on subscription agreements (below)	5,266,367	1,925
Share issuance costs (below)	-	(43)
September 30, 2025	252,803,713	49,180

Authorised share capital

At September 30, 2025, the authorised share capital consisted of an unlimited number of common shares without par value and an unlimited number of preferred shares without par value.

Subscription receipts payable

During the year ended December 31, 2024, the Company issued 8,429 thousand common shares to settle \$3,024 thousand in subscription receipts on closing the related private placements.

During the year ended December 31, 2024, the Company issued 12,167,101 common shares to settle \$4,447 thousand in notes payable.

At December 31, 2024, the Company had not yet closed the private placements related to \$313 thousand (C\$450,000) of share subscription agreements for 900,000 common shares. The \$313 thousand was reported as a liability at December 31, 2024, pending the closing of the private placement.

During the nine-month period ended September 30, 2025, the Company received \$2,122 thousand in exchange for share subscription agreements for 5,520 thousand common shares.

During the nine-month period ended September 30, 2025, the Company issued 5,157 thousand common shares to settle \$1,925 thousand of subscription receipts received during the period ended September 30, 2025, including C\$250 thousand of subscriptions payable at December 31, 2024. In connection with the subscription receipts, the Company

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also issued 109,600 shares as a commission in the amount of \$43 thousand (C\$60 thousand) and paid other minor issuance costs.

12. Share-based awards

The Company has established a stock option plan for its directors, officers and consultants, under which the Company may grant options from time to time to acquire a maximum number of common shares being 10% of the total number of issued common shares of the Company (calculated on a non-diluted basis) at the time an option is granted. Options issued under the stock option plan will vest according to the terms approved by the Board of Directors for each grant.

The Company's stock option transactions, the number of stock options outstanding and the weighted average exercise prices ("WAEP") are summarised as follows:

	Number	WAEP C\$
At December 31, 2023	2,300,000	0.63
Granted and fully vested	11,000,000	0.50
Expired	(800,000)	0.904
At December 31, 2024	12,500,000	0.48
Granted	3,000,000	0.50
Expired	(1,500,000)	0.35
At September 30, 2025	14,000,000	0.50
Exercisable at September 30, 2025	11,000,000	0.50

The share options outstanding at the end of the year had a weighted average remaining contractual life of 3.72 years. The Company recognised share-based expense of \$347 thousand in the nine-month period ended September 30, 2025, based on the graded-vesting of the options granted in the period.

Fair value of share options granted during the nine-month period ended September 30, 2025

The fair value of the share options granted on January 1, 2025, was calculated as of the date of grant using the Black-Scholes model, using the following weighted average assumptions:

Exercise price	C\$0.50
Expected volatility	90.00%
Expected life of option	5 years
Dividend yield	0%
Risk-free rate	2.96%

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13. Related party transactions

The Company entered into the following related party transactions during the period.

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Revenues (expenses):				
Outsourcing revenue — True Corporation (i)	9	-	37	32
Share-based payment expense — Directors	(118)	-	(347)	(1,047)
Interest expense — True Corporation (i)	(1)	(1)	(3)	(3)
Interest expense — Other (i)	(40)	(36)	(120)	(102)
Broadband services — True Corporation (i)	(3)	(3)	(9)	(8)
	<u>(153)</u>	<u>(40)</u>	<u>(442)</u>	<u>(1,128)</u>
Aggregate remuneration of key management personnel				
Wages and salaries	162	100	487	300
Share-based payment expense	118	-	347	524
	<u>280</u>	<u>100</u>	<u>834</u>	<u>824</u>

Key management personnel is comprised of the directors and the officers of the Company.

Receivables:	September 30, 2025 \$'000	December 31, 2024 \$'000
<i>Loans and receivables — related parties</i>		
True Corporation (i)	<u>9</u>	<u>3</u>
<i>Loans and advances</i>		
KUAM — advances (ii)	498	482
True Corporation (i)	62	58
A director of the Company (iii)	265	250
A shareholder of Axion Games Limited	<u>1,752</u>	<u>1,624</u>
	<u>2,577</u>	<u>2,414</u>
<i>Other payables</i>		
Salaries and wages owing to related parties	1,050	803
Accrued interest owing to related parties	152	155
Subscriptions payable to a director of the Company	146	200
Epic Games, Inc. (i)	322	322
True Corporation (i)	<u>101</u>	<u>92</u>
	<u>1,771</u>	<u>1,572</u>

- (i) An individual or a company that is a shareholder of a subsidiary or a company related to a shareholder of a subsidiary.
- (ii) A company controlled by an insider of the Company.
- (iii) Unsecured promissory note payable to a director of the Company, with interest at 7.575% per annum, due on demand.

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The Company's financial instruments comprise cash and cash equivalents, trade and other receivables, advances receivable, investments, convertible note receivable, trade and other payables, loans and advances payable, and convertible debentures.

Financial instruments by category

	September 30, 2025 \$'000	December 31, 2024 \$'000
Financial assets		
Financial assets at amortised cost:		
Cash and cash equivalents	5,171	4,685
Trade and other receivables	220	203
Advances receivable	2,522	1,693
	<u>7,913</u>	<u>6,581</u>
Financial assets at FVTPL		
Convertible notes receivable, hybrid instrument (note 7d)	-	171
Investment (note 7e)	218	218
	<u>218</u>	<u>389</u>
Total financial assets	<u>8,131</u>	<u>6,970</u>
Financial liabilities	September 30, 2025 \$'000	December 31, 2024 \$'000
Financial liabilities at amortised cost		
Trade and other payables	5,877	5,244
Loans and advances payable	10,516	10,023
Debentures payable	4,231	4,038
Subscription receipts payable	547	313
Total financial liabilities	<u>21,171</u>	<u>19,618</u>

Financial instruments measured at fair value

The investment in shares of a private company (note 7) is measured at fair value on a non-recurring basis and classified in its entirety based on the lowest level of input that is significant to the fair value measurement. There are three levels of the fair value hierarchy that prioritize the inputs to valuation techniques used to measure fair value, with Level 1 inputs having the highest priority. The levels and the valuation techniques used to value our financial assets and liabilities are described below:

Level 1 inputs are unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities. The Company has no Level 1 investments at September 30, 2025.

Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability. The Company has no Level 2 investments at September 30, 2025.

Level 3 inputs are unobservable (supported by little or no market activity). At September 30, 2025, and at December 31, 2024, the Company's equity securities in a non-public company is in Level 3 of the fair value hierarchy because they trade infrequently and have little price transparency.

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Financial instruments not measured at fair value

Financial instruments not measured at fair value includes cash and cash equivalents, trade and other receivables, advances receivable, trade and other payables, convertible debentures and loans and advances. The carrying values of these financial instruments approximate their fair values because of their current nature.

Financial instruments and related risks

The board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's exposures to financial risks and how the Company manages those risks are set out below.

Liquidity risk (note 1)

Liquidity risk relates to the risk that the Company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company is exposed to liquidity risk in respect of the settlement of trade and other payables, and in respect of its cash flow management. The Company's objective is to maintain an appropriate level of liquid assets and committed lines of funding to meet its liquidity requirements in the short and longer term.

The Company manages its liquidity needs by carefully monitoring forecast cash inflows and outflows due in the day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and 360-day lookout period are identified monthly. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows if available borrowing facilities are expected to be sufficient over the lookout period.

The Company maintains cash and short-term bank deposits to meet its liquidity requirements for 30-day periods at a minimum. Funding for longer-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell longer-term financial assets.

The liquidity policies have been followed by the Company since prior years and are considered to have been effective in managing liquidity risks.

Analysed below are the Company's remaining contractual maturities for its non-derivative financial liabilities. When the creditor has a choice of when the liability is settled, the liability is included on the basis of the earliest date on when the Company can be required to pay and at September 30, 2025, are all due within one year or on demand:

	<u>\$'000</u>
Trade payables	1,458
Accrued salaries and benefits	2,218
Accrued expenses	1,773
Other payables	428
Subscription receipts payable	547
Debentures payable	4,231
Loans and advances	<u>10,516</u>
	<u><u>21,171</u></u>

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The Company considers expected cash flows from financial assets in assessing and managing liquidity risk. In particular, its cash resources and other liquid assets that readily generate cash.

Currency risk

Currency risk is the risk that the fair values or future cash flows of the Company's financial instruments will fluctuate because of changes in foreign exchange rates. Exchange rate fluctuations may affect the costs that the Company incurs in its operations.

The parent company operates in Canada and has a C\$ functional currency but has significant loans and advances receivable and payable, which are denominated in US\$. A 5% strengthening in the U.S. dollar as compared to the Canadian dollar would result in a gain of \$466 thousand based on the net monetary assets denominated in U.S. dollars at September 30, 2025. A 5% weakening would have the opposite impact.

The Company's subsidiary, Axion Games mainly operates in the PRC and majority of the transactions are settled in RMB. Foreign currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. As the functional currency of Axion Games is the RMB, for the China based entities, Axion Games is not exposed to significant foreign currency risk. A non-China based entity in the Axion Games structure holds a significant balance of cash in Japanese yen. A 5% strengthening in the U.S. dollar as compared to the Japanese yen would result in a loss of \$36 thousand based on the net monetary assets denominated in Japanese yen at September 30, 2025. A 5% weakening would have the opposite impact.

The Company's subsidiary, JJ, formerly True Axion Interactive Co., Ltd., mainly operates in Bangkok, Thailand and the majority of the transactions are settled in THB (Thai Baht). As at September 30, 2025, the Company did not have significant foreign currency risk from its operations.

The carrying amounts of the Group's foreign currency (as in relation to the functional currency of the relevant group entities) denominated monetary assets and liabilities at the end of the reporting period is as follows:

	Assets (Liabilities)	
	September 30, 2025 \$'000	December 31, 2024 \$'000
Parent company — U.S. dollar denominated loans/advances receivable	15,603	15,064
Parent company — U.S. dollar denominated loans/advances payable	(6,287)	(5,694)
Axion Games — Japanese yen denominated cash balance	766	1,060
Net monetary assets receivable	10,082	10,430

The Group does not have a formal foreign currency hedging policy, but management monitors the Group's foreign currency exposure in order to minimise the exchange rate risk.

Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Company. The financial instruments that potentially subject the Company to credit risk comprise cash and cash equivalents, investments and trade receivables, the carrying value of which represents the Company's maximum exposure to credit risk.

The Company limits its exposure to credit loss by placing its cash and cash equivalents with a Schedule I chartered bank in Canada and with high credit quality financial institutions in China and Thailand. The Company assesses the credit quality of the customer, considering its financial position, experience and other factors. The Company has receivables from customers and the general credit terms are from 60 days, and these amounts are generally not collateralised. The Company's trade and other receivables are actively monitored to avoid significant concentrations of credit risk.

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15. Contingencies

a) NextPlay Debt Claim

On September 21, 2021, as amended on May 23, 2023, NextPlay Technologies, Inc., formerly known as Monaker Group, Inc. ("NextPlay") together with the former CEO, the spouse of the former CEO, Cern One Limited, and Red Anchor Trading Corp., filed a notice of civil claim (the "NextPlay Debt Claim") in the Supreme Court of British Columbia (the "BC Supreme Court") against the Company and certain of its subsidiaries for the payment of certain specified outstanding loans in the amount of \$7.7 million, plus interest and costs. NextPlay claims to have acquired these purported loans from the Company's former CEO, his spouse, Cern One Limited, and Red Anchor Trading Corp.

The Company has accounted for certain amounts claimed by NextPlay as liabilities of the Company as at December 31, 2024 (note 9), but as a result of the Axion Civil Claim (see below), the Company believes that the amount owing to the parties to the NextPlay Debt Claim will be less than the amounts recorded.

The trial for the NextPlay Debt Claim is being held concurrently with the trial for the Axion Civil Claim and the Hirakawa Claim. This consolidated trial commenced on February 10, 2025, and has not concluded.

b) Bagguley and Saft Claim

On October 7, 2021, Christopher Bagguley and Mark Henry Saft filed a notice of civil claim (the "Bagguley Claim") in the BC Supreme Court against the Company for damages for wrongful dismissal.

Subsequent to December 31, 2024, the BC Supreme Court dismissed this civil claim against both plaintiffs, Mr Bagguley and Mr Saft, in its entirety. This dismissal is final.

c) Axion Civil Claim

On January 15, 2021, the Company filed a Breach of Fiduciary Duty Claim ("Axion Civil Claim") in the BC Supreme Court against its former CEO and his spouse (together the "Bonner Defendants") and against NextPlay, and certain associates (together the "Monaker Defendants"), (together, the "Defendants") for an evolving conspiracy to deprive the Company of certain of its assets and certain of its subsidiaries.

The Axion Civil Claim asserts, among other things, that the former CEO and his spouse, with the assistance of their associates, caused the unlawful transfer of the Company's assets, including its digital marketing and in-game advertising software and intellectual property to HotPlay (Thailand) Co., Ltd., a company ultimately controlled by the former CEO and his spouse. In 2020, the former CEO and his spouse entered into a further agreement to transfer the Company's assets to NextPlay, including the in-game advertising software, in return for shares of NextPlay. In furtherance of their evolving conspiracy, the former CEO, his spouse, and their associates, also conspired to cause the Company's controlling interest in Longroot Limited and its subsidiaries to be unlawfully transferred to NextPlay.

On June 18, 2021, the Company filed a Summary Trial Application seeking, inter alia, a constructive trust over two assets the Company alleges were wrongfully transferred to NextPlay and, in the alternative, an injunction to preserve those assets pending trial.

The hearing of the Summary Trial Application commenced on February 28, 2022, and adjourned on March 8, 2022. Prior to the hearing of the Summary Trial Application, the Company narrowed the issues to be determined and is now seeking a constructive trust over only one of the assets. Following hearings during the week of July 11, 2022, the Summary Trial was adjourned.

On November 9, 2022, the BC Supreme Court ordered that all shares, owned by any of the Bonner Defendants, of Longroot Limited, Longroot Holding (Thailand) Co., Ltd., and Longroot (Thailand) Co., Ltd., be placed into escrow or in trust in Vancouver, B.C., Canada pending the outcome of the Axion Civil Claim or upon further direction of the BC Supreme Court. Such escrow or trust deposit is to occur as soon as practical but not to exceed 30 days from the date of the order. The BC Supreme Court further ordered that the Bonner Defendants provide certain unredacted documents, related to a transaction publicly announced by NextPlay on October 20, 2022, by November 14, 2022, and that upon receipt, the Company is to keep those documents confidential. Further, the Bonner Defendants and

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NextPlay were ordered not to close the transactions contemplated in those documents pending the determination of the Company's November 3, 2022, extant Notice of Application for contempt, unless otherwise agreed in writing by the Company and the Bonner Defendants or upon further direction of the BC Supreme Court. The former CEO, his spouse, NextPlay, and Longroot, Inc. (the "Contemnors"), or various combinations of these parties, did not comply with these orders and on February 9, 2023, and March 3, 2023, were found in contempt of the August 24, 2022, and November 9, 2022, Orders of Justice Walker and the March 2021 Consent Order.

On March 30, 2023, Justice Walker ordered the Bonner Defendants to comply with the pledging event and place the shares of Longroot Limited, Longroot Holding (Thailand) Co., Ltd., and Longroot (Thailand) Co., Ltd. (the "Longroot Shares") in escrow with an escrow agent in Vancouver, Canada. If the Bonner Defendants failed to deliver the shares to escrow, then the Bonner Defendants were required to deliver a bond or letter of credit, in an amount agreed by the parties. In the event, that the parties failed to reach an agreement on the amount of the bond or letter of credit by April 24, 2023, then the amount would be set by Justice Walker when the parties returned to court on April 27, 2023. Such bond or letter of credit was to be posted within 10 days of the amount being agreed upon or determined. The sanctions hearings for Contempt 1 (Notice of Application filed on November 3, 2022) and Contempt 2 (Notice of Application filed on November 21, 2022) were held on April 25, April 26, and May 8, 2023. The Bonner Defendants were also to produce a sworn affidavit by April 21, 2023, verifying that all documents ordered to be produced under the March 29, 2023, Orders of Justice Walker had been produced, list any that have not been produced, and the steps being taken to produce said documents.

On May 16, 2023, Justice Walker ordered the Contemnors to post a bond or a letter of credit in the amount of \$3.4 million, with \$1.0 million of the amount to be posted by June 1, 2023, a further \$1.0 million to be posted by June 30, 2023, and a further \$1.4 million to be posted by July 28, 2023. The Company was awarded special costs with regards to this application.

The Company also filed an application in August 2022 seeking an Anti-Suit Injunction preventing the Defendants from proceeding with overlapping claims in other jurisdictions. This application focuses on the Thai Arbitration proceedings and the U.S. Proceedings (see below). The Company's application for the Anti-Suit Injunction was previously set to proceed on May 8, 2023, but was adjourned generally due to scheduling conflicts.

On June 8, 2023, Justice Walker found that the Contemnors' conduct throughout is indicative of their disregard for the authority of the Court and ordered that they post C\$250 thousand with the court by July 10, 2023 (see below).

On June 27, 2023, the trial for the remaining portions of the Axion Civil Claim was rescheduled to commence on January 13, 2025, from January 15, 2024, for 80 days.

On July 21, 2023, the Company filed an application with the BC Supreme Court for further findings of contempt against the Contemnors for failing to comply with the May 16, 2023, and June 8, 2023, Orders of Justice Walker and among other items an application for special costs to be awarded. The application was heard during August 14–18 and September 25–26, 2023. On November 2, 2023, the Supreme Court of British Columbia found the Contemnors to be in contempt of the sanction orders of May 16 and June 8, 2023, and that the July 21, 2023, application by the Company should move to the sanctions phase.

On November 2, 2023, the BC Supreme Court found the Bonner Defendants to be in contempt of the sanction orders dated May 16, 2023 and June 8, 2023, as the Bonner Defendants failed to post a bond or a letter of credit in the amount of \$3.4 million by July 28, 2023 and failed to post a bond, as security for good behaviour, in the amount of C\$250 thousand by July 10, 2023.

On January 11, 2024, regarding the November 2, 2023, finding of contempt of the June 8, 2023, sanction order by the Bonner Defendants, the BC Supreme Court ordered that the Company's transfer agent cancel all common shares of the Company owned beneficially by NextPlay, except the 36,086,287 common shares of the Company, which had its ownership by NextPlay extinguished but not cancelled pending the result of the separate Hirakawa Claim (note 15e). Further, that if the plaintiff in the Hirakawa Claim is successful then the shares, in whole or in part, will be transferred to him and if he is not successful then the transfer agent will cancel the remaining shares of the Company beneficially owned by NextPlay. As part of the sanctions, the Company agreed to pay the full C\$250 thousand into the court and

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any successful application to reduce the amount of the security will be refunded to the Company. The Court has ordered that the full C\$250 thousand security will be returned to the Company. To date, the transfer agent for the Company has successfully cancelled 26,053,490 (note 11) of the shares owned beneficially by NextPlay, leaving the 36,086,287 shares related to the Hirakawa Claim uncanceled as directed and all remaining shares of the Company owned beneficially by NextPlay are still to be recovered and cancelled by the transfer agent. Costs were left to be determined at a further appearance.

On February 8, 2024, regarding the November 2, 2023, finding of contempt of the May 16, 2023 sanction order by the Contemnors, the BC Supreme Court ordered that the Contemnors' response pleadings in this action be struck, the Contemnors have leave to intervene in the Defendants' extant spoliation application, and the Contemnors who are plaintiffs in the NextPlay Debt Claim must seek leave to bring interlocutory applications in the NextPlay Debt Claim.

The trial for the Axion Civil Claim commenced on February 10, 2025, concurrently with the trial for the NextPlay Debt Claim and the Hirakawa Claim. The Axion Civil Claim is currently being defended by four defendants, namely Cern One Limited, Red Anchor Trading Corp., HotPlay Enterprise Limited, and HotPlay (Thailand) Co., Ltd. The other named defendants in the Axion Civil Claim are barred from putting forth any defence as a result of their defences being struck. The trial has not concluded.

d) U.S. Civil Action

On July 6, 2022, NextPlay served a Civil Complaint in the United States District Court for the Western District of Washington against the Company and certain named directors and officers of the Company. The Company believes that the suit is largely a duplication of the actions filed by the former CEO and his associates in Canada, including allegations that the Company had committed fraud on the court during the Bonner Petition hearings, and intends to seek dismissal or to vigorously defend itself should the action proceed. On February 3, 2023, Justice Ross declared that the Company had committed no such fraud on the court.

On August 29, 2022, the Company filed a Notice of Application with the BC Supreme Court to restrain NextPlay, its agents, and any person acting under its instructions or control, from proceeding with or in any way taking any steps to pursue its civil action in the United States District Court for the Western District of Washington (the "Anti-Suit Injunction").

On October 25, 2022, the parties agreed to a stay of proceedings pending the outcome of related legal claims between the parties before the BC Supreme Court.

The Fraud on the Court Application was heard from January 30 to February 3, 2023, in front of Justice Ross. On February 3, 2023, Justice Ross found that there was no fraud on the court committed by the Company during the Bonner Petition hearings, contrary to allegations made by the Bonner Defendants and NextPlay in both the BC Supreme Court and in the U.S. Proceedings. In his reasons, Justice Ross noted that counsel for both the Bonner Defendants and NextPlay conceded during oral submissions that they could not establish their allegations of fraud on the court, despite such allegations from their clients in multiple jurisdictions. The application also sought relief on the basis of abuse of process. That portion of the relief was referred back to Justice Walker for determination, with that determination still pending.

e) Japanese Investors Civil Actions

On April 1, 2021, certain Japanese investors filed Notices of Civil Claim against John Todd Bonner, Nithinan "Jess" Boonyawattapisut, Cern One Limited, and the Company. The claims are referred to as the "Yamanaka Claim" and the "Hirakawa Claim". The Company has not filed any response to these Notices of Civil Claim as the claims made are against the other defendants. It is the Company's belief that the Company was only named to facilitate any ultimate award involving its issued common shares.

On April 9, 2021, each of the plaintiffs in the Yamanaka Claim and the Hirakawa Claim applied for Mareva injunctions to prevent the defendants, Bonner, Jess, Red Anchor, and Cern One, among others, from dealing with the disputed shares or voting them at the Axion Ventures AGM. These applications were heard together on April 13 and 14, 2021.

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On April 14, 2021, The Honourable Mr. Justice Davies granted the Mareva injunctions sought in the Yamanaka Claim and Hirakawa Claim (the "Investor Mareva Injunctions"). On April 23, 2021, Bonner, Jess, Cern One, and Red Anchor (the "Appellants") filed a Notice of Application for Leave to Appeal the Investor Mareva Injunction granted in the Hirakawa Claim.

The Honourable Mr. Justice Voith (In Chambers) granted leave to appeal on August 9, 2021, and allowed NextPlay to join as an Appellant.

On July 11, 2022, the appeal was dismissed without prejudice to the rights of the Appellants to bring an application to vary or discharge the original April 14, 2021 order in the BC Supreme Court. No such application has been filed to date.

Yamanaka Claim

The Yamanaka Claim was to obtain 3,470,626 common shares of the Company alleged to be owing to the Yamanaka plaintiffs, plus punitive damages and costs.

On December 15, 2023, the BC Supreme Court ordered that the Company execute the necessary steps to cancel 3,587,126 common shares of the Company in the name of Cern One Limited and then to re-issue the 3,587,126 common shares to the Yamanaka plaintiffs (note 11). Between January 30, 2024 and March 26, 2024, the Company was able to obtain and cancel sufficient shares and on March 27, 2024, the Company issued the required 3,587,126 common shares to the various Yamanaka plaintiffs (notes 11 and 15c). Subsequent to this issuance, the Yamanaka Claim was concluded.

Hirakawa Claim

The Hirakawa Claim was for 40,713,307 shares of the Company or \$9.3 million owing to Hirakawa, plus punitive damages and costs.

The Hirakawa Claim remains in progress and its trial is being held concurrently with that of the NextPlay Debt Claim and the Axion Civil Claim. The plaintiff in the Hirakawa Claim has assigned his cause of action against the four above-named defendants to the Company.

16. Subsequent events

- (a) Subsequent to September 30, 2025, the Company received approximately \$1,396 thousand in share subscriptions for 2,990 thousand common shares.
- (b) Subsequent to September 30, 2025, the Company issued 2,367 thousand common shares on closing private placements related to approximately \$1,105 thousand of the subscription receipts received after September 30, 2025.