



Cypher Metaverse Inc.

CYPHER METAVERSE INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2025

This Management's Discussion and Analysis ("MD&A") prepared as of April 27, 2026, should be read in conjunction with the audited financial statements for the year ended December 31, 2025 of Cypher Metaverse Inc. (the "**Company**" or "**Cypher**"), and related notes attached thereto (the "**financial statements**"), which are prepared in accordance with IFRS Accounting Standards ("**IFRS**"). All amounts, including the symbol "\$", are expressed in Canadian dollars unless otherwise stated. References to notes are with reference to the financial statements.

FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking information and forward-looking statements within the meaning of applicable securities laws (collectively, "**forward-looking statements**"). Such forward-looking statements are provided to inform the Company's shareholders and potential investors about management's current expectations and plans relating to the future. Readers are cautioned that reliance on such information may not be appropriate for other purposes. Any such forward-looking statement may be identified by words such as "anticipate", "proposed", "estimates", "would", "expects", "intends", "plans", "may", "will", and similar expressions, although not all forward-looking statements contain these identifying words.

More particularly and without limitation, the forward-looking statements in this MD&A include (i) expectations regarding the Company's business plans and operations; (ii) future demand for and prices of digital currencies; (iii) estimates of capital expenditures; (iv) decentralized finance technology, including the adoption thereof; (v) strategies for customer retention, growth; (vi) the Company's potential future revenue and growth; (vii) working capital and financial performance; (viii) the structure, steps, timing and effect of the Merger (as defined below); (ix) the anticipated benefits of the Proposed Transaction (as defined below) to Cypher and its shareholders; (x) the anticipated receipt of all required regulatory and third-party approvals for the Proposed Transaction; and (xi) the ability to satisfy the other conditions to, and to complete, the Merger.

By their very nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties, which give rise to the possibility that predictions, forecasts, projections, expectations, and conclusions will not prove to be accurate, that our assumptions may not be correct and that our financial performance objectives, vision, and strategic goals will not be achieved.

The future outcomes that relate to forward-looking statements may be influenced by many factors, including but not limited to: (i) digital currencies demand and price volatility; (ii) risks and uncertainties associated with the digital currency industry; (iii) adapting to technological change, new products, and standards; (iv) increased competition that adversely affects business; (v) additional competition from new or existing technologies that adversely affects business; (vi) continued growth in key markets; (vii) the effectiveness and efficiency of advertising and promotional activities; (viii) political, economic, regulatory and other uncertainties in respect of digital currencies; (ix) security threats including stolen cryptocurrencies from the Company's

software products (x) damage or failure of our information technology; (xi) cybersecurity risks associated with data security and hacking; (xii) risks associated with potential violations of applicable privacy laws; (xiii) risks associated with any continued sales growth; (xiv) risks related to compliance with laws and regulations and the effect of changes in law and regulatory environment; (xv) fluctuations in foreign currency exchange rates; (xvi) ability to obtain additional financing; (xvii) loss of key personnel and our inability to attract and retain qualified personnel; (xviii) potential losses, liabilities and damages related to our business which are uninsured or uninsurable; (xix) consumer sentiment towards blockchain technology generally, decrease in the price of cryptocurrencies; (xx) ability to maintain mining activities and coin inventories; (xxi) risks associated with litigation or dispute resolution; (xxii) volatility of global financial conditions; and (xxiii) taxation, including changes in tax laws and interpretation of tax laws; and (xxiv) factors described in “*Risks and Uncertainties*”;

Forward-looking statements are based on a number of factors and assumptions that have been used to develop such statements and information, but which may prove to be incorrect. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, undue reliance should not be placed on forward-looking statements because the Company can give no assurance that such expectations will prove to be correct. The forward-looking statements in this MD&A reflect the current expectations, assumptions and/or beliefs of the Company based on information currently available to the Company. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new statements, future events or results. The forward-looking statements contained in this MD&A are expressly qualified in their entirety by the foregoing cautionary statements.

DESCRIPTION OF BUSINESS

Overview and Strategy

The Company was incorporated on February 19, 2009, under the laws of the province of British Columbia. Cypher’s Common shares (“**Common Shares**”) are listed on the Canadian Securities Exchange (“**CSE**”) under the symbol “**CODE.X**” and on the Frankfurt Stock Exchange under the symbol “**C5BO**”.

Cypher focuses on identifying and investing in early-stage opportunities across the digital landscape, participating in blockchain projects, including proof of work mining, proof of stake cryptocurrencies, and decentralized finance. The Company engages in digital experiences, collectively referred to as “the Metaverse” which include non-fungible token-based gaming experiences. The Company leverages its strategic relationships to drive innovation and growth, creating new possibilities and opportunities.

Aside from its primary business, and as a result of the Agapi Transaction (as defined below), Cypher currently owns 802,290 Common shares (“**Agapi Shares**”) in Agapi Luxury Brands Inc. (“**Agapi**”), representing 12.78% of the issued and outstanding Agapi Shares. Agapi operates within the U.S. and international tobacco industry as a wholesaler of premium, hand-rolled cigars.

Cypher’s head, registered, and records office is located at 500 – 666 Burrard Street, Vancouver, BC V6C 3P6, and its website is www.cypher-meta.com.

Developments

On May 10, 2023, the Company entered a binding letter of intent to enter a business combination with Agapi to acquire 100% of the issued and outstanding Agapi Shares in exchange for \$5,000,000 in Common Shares of Cypher (the “**Agapi Transaction**”).

The fair market value was based on a Comprehensive Valuation Report as of March 31, 2023 (the “**Valuation Report**”), prepared by Evans & Evans Inc., independent valuers to the Agapi Transaction, which identified a range of \$3,600,000 to \$4,010,000. The special committee made up of the independent directors of the Company, after some discussions with Agapi,

were satisfied that the previously negotiated purchase price of \$5,000,000 was fair, even at an 8.89% premium over the high end of the valuation range. Agapi's then-current stage of development, marketing channels, product offering and ability to raise funds to move the business ahead, with a relatively short window to positive cash flow, were considered reasons for the premium to the valuation range. Relatedly, upon receipt of the draft Valuation Report, the parties agreed that a premium to the high range of the valuation was reasonable considering the growth and demonstrated success of Agapi and that the premium of 8.89% was reasonable in the circumstances.

On August 29, 2023, the Company entered into a definitive agreement with Agapi in connection with the Agapi Transaction (the "**Definitive Agreement**"). Subsequent to the Definitive Agreement, the Company agreed to provide bridge financing to Agapi at an annual interest rate of 8% (the "**2023 Bridge Loan**"), and the 2023 Bridge Loan would have been forgiven upon successful completion of the Agapi Transaction. The CSE conditionally accepted the Agapi Transaction, and the Company's shareholders approved the same on December 1, 2023.

On November 14, 2024, the Company entered into a settlement agreement with Agapi, which terminated the Definitive Agreement (the "**Settlement Agreement**"). Given that completing the Agapi Transaction was subject to the satisfaction of remaining closing conditions, including the financing to provide Cypher with sufficient working capital to fund its business plan once it acquired Agapi, the Definitive Agreement was terminated due to the inability to complete such financing.

Under the Settlement Agreement, Agapi issued 802,290 Agapi Shares at \$1.05 per Agapi Share and issued a royalty on all future sales in settlement of the Bridge Loan (approximately \$962,748 in principal and interest) that Cypher advanced to Agapi. There was no external valuation of Agapi performed at or near the date of the Settlement Agreement.

During the year ended December 31, 2025, the Company remeasured its investment in Agapi to \$Nil as a result of the financial performance of the investment.

The fair value was determined using an income approach based on unobservable inputs. Due to the deterioration in the investee's financial position and lack of observable market data, management assessed the recoverable amount to be \$Nil.

Investment Glanis Pharmaceuticals Inc.

During the year ended December 31, 2020, the Company entered into an agreement with the shareholders of Glanis Pharmaceuticals Inc. ("**Glanis**"), a private pharmaceutical company incorporated in British Columbia, Canada. During the year ended December 31, 2020, the Company issued 6,600,000 common shares with a fair value of \$990,000 to acquire a 49% interest in Glanis and paid \$28,000 of expenses toward the ongoing research studies to develop Glanis' technology.

On April 14, 2023, the Company reached an agreement with Glanis whereby Glanis purchased 4,846 shares held by the Company in exchange for \$250,000 worth of shares to be issued upon the completion of a listing event of Glanis's common shares on a public securities exchange. The listing event whereby Glanis's common shares became listed on a public securities exchange has not occurred. As of December 31, 2025, the Company held 0% interest (December 31, 2024 – 0%) in Glanis. The divestiture is considered a related party transaction (Note 7).

During the year ended December 31, 2025, the entity was dissolved.

Proposed Transaction

On October 28, 2025, Cypher and Noninvasix Inc. ("**Noninvasix**") entered into an arms-length letter of intent (the "**LOI**"), providing for the general terms and conditions in respect of a business combination involving the Company, Noninvasix, and Cypher Subco Inc. ("**Subco**") under Section 251 of the General Corporation Law of Delaware (the "**Merger**") to be carried out pursuant to a merger agreement between Cypher, Noninvasix, and Subco (the "**Merger Agreement**").

On December 12, 2025, in connection with the LOI, Cypher, Noninvasix, and Subco entered into the Merger Agreement, providing for the implementation of the Merger. The Merger Agreement contains customary covenants, representations and warranties of and from each of Cypher, Subco and Noninvasix, and various conditions precedent, both mutual and with respect to each Party commensurate for a transaction of this nature. Completion of the transactions contemplated by the Merger Agreement and matters related thereto (the “**Proposed Transaction**”) remains subject to approval by Cypher’s shareholders, the CSE, and satisfaction of conditions precedent in the Merger Agreement. The Proposed Transaction constitutes a Fundamental Change under the policies of the CSE, creating a resulting issuer (the “**Resulting Issuer**”) which must meet the criteria for listing on the CSE.

At Cypher’s request, trading of Common Shares on the CSE was voluntarily halted on December 15, 2025, in connection with the announcement of the Proposed Transaction.

On December 23, 2025, in connection with the Proposed Transaction, Cypher closed a non-brokered private placement of units (“**Units**”), whereby it issued 749,258 Units at a price of \$0.33 per Unit for aggregate gross proceeds of \$247,256, with each Unit comprised of one Common Share and one Common Share purchase warrant (“**Warrant**”) each Warrant, entitling the holder thereof to acquire one additional Common Share at \$0.45 for a period of two years. The Company paid cash finders fees of \$10,256 and issued 31,080 finder’s warrants (valued at \$7,800 using the Black-Scholes pricing model using the following inputs: 150% volatility, 2 year life, 2.57% discount rate, \$0.365 market stock price), which entitle the holder thereof to acquire an additional Common Share at a price of \$0.45 for a period of two years.

Going Concern

The financial statements for the year ended December 31, 2025 were prepared on a going concern basis, which assumes that the Company will continue its operations for at least the next twelve months. During the year ended December 31, 2025, the Company has incurred a net loss of \$1,975,170 (2024 - \$897,070) and has an accumulated deficit of \$42,102,606 (December 31, 2024 - \$40,127,436). In addition, the Company has experienced negative cash flows from operations of \$1,067,316 (2024 - \$209,759).

These events and conditions create a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. The Company’s ability to continue its operations and to realize assets at their carrying values is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors, identifying and acquiring businesses or assets, and generating profitable operations in the future. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

The Company is in the business of crypto assets, many aspects of which are not specifically addressed by current IFRS guidance. IFRS does not currently provide specific guidance to address many aspects of the digital asset industry. The Company is required to make judgments as to the application of IFRS and the selection of its accounting policies. The Company has disclosed its presentation, recognition and derecognition, and measurement of crypto assets, and the recognition of revenue, as well as significant assumptions and judgments; however, if specific guidance is enacted by the IASB in the future, the impact may result in changes to the Company’s earnings and financial position as presented.

DISCUSSION OF OPERATIONS

On January 29, 2025, Cypher issued 1,978,330 Common Shares at a price of \$0.475 per Common Share for aggregate gross proceeds of \$939,706 under the Listed Issuer Financing Exemption of Part 5A of National Instrument 45-106 – *Prospectus Exemptions* (the “**LIFE Offering**”) and a concurrent non-brokered private placement of Common Shares. Of the gross proceeds from the LIFE Offering, \$640,000 was allocated to certain business objectives and milestones (below). The Company paid cash finders fees of \$29,176 and share issuance costs of \$35,693.

The following table sets out a comparison of how the Company used the LIFE Offering's available funds from January 29, 2025 through December 31, 2025, an explanation of variances, and the impact of variances on the ability of the Company to achieve its business objectives and milestones.

Intended Use of Proceeds of Offering		Actual Use of Proceeds from Offering		(Over)/under expenditure
G&A	\$150,000	G&A	\$271,000	\$ (121,000)
Working capital deficit	\$250,000	Working capital deficit	\$250,000	\$ -
Metaverse development costs	\$150,000	Metaverse development costs	\$29,000	\$ 121,000
Further development, working capital, acquisition	\$90,000	Further development, working capital, acquisition	\$90,000	\$ -
Total	\$640,000	Total	\$640,000	\$ -
Explanation of variances and the impact of variances on the ability of the Company to achieve its business objectives and milestones		The Company decided to redirect \$121,000 from Metaverse development costs to general administration costs due to its assessment of the current market and the slow progress of the development of its technology. This has caused the Company to reflect on its business objectives and milestones as the Company has chosen to proceed on a best-efforts basis, collaborating with consultants over the coming months to make further progress.		

LIQUIDITY AND CAPITAL RESOURCES

The Company's objective in managing its liquidity and capital structure is to generate sufficient cash to fund the Company's operations, acquisitions, organic growth and contractual obligations. The Company monitors its liquidity primarily by focusing on working capital in evaluating its liquidity.

As at December 31, 2025, the Company had cash of \$201,593 (December 31, 2024 - \$4,244) and a working capital deficiency of \$139,109 (December 31, 2024 - working capital deficiency of \$246,869).

During the year ended December 31, 2025, the Company had:

- Cash flows from operating activities primarily from change in working capital proceeds such as accounts payable and accrued liabilities of \$1,067,316.
- Cash flows from investing activities primarily from net loans made/repaid of loans of \$20,000.
- Cash flows from financing activities primarily from proceeds from private placements, net of share issuance costs, of \$1,181,546, proceeds of Warrants exercised of \$46,919 and proceeds from loan of \$56,200.

Results of Operations – Three Month Period Ended – December 31, 2025

The Company's comprehensive loss for the three-month period ended December 31, 2025, totaled \$1,047,975 (2024 - \$360,834) with basic and diluted loss per share of \$0.26 (2024 - \$0.23). Significant fluctuations during the three-month period included:

- General and administrative were \$33,242 (2024 - \$3,084). The increase during the current period was primarily due to new office rental.
- Management and consulting fees were \$75,048 (2024 - \$241,974). The decrease during the current period was due to a decrease in the use of consultants for corporate activity.
- Professional fees were \$103,612 (2024 - \$67,113) due to audit and legal fees. The increase during the current year was due to an increase in legal fees.

Results of Operations – Year Ended – December 31, 2025

The Company's comprehensive loss for the year ended December 31, 2025, totaled \$1,975,170 (2024 - \$897,070) with basic and diluted loss per share of \$0.49 (2024 - \$0.66). Significant fluctuations during the year included:

- General and administrative were \$169,315 (2024 - \$41,978). The increase during the current year was due to a new office rental.
- Interest income on loan receivable was \$1,162 (2024 - \$62,392) due to interest accrued on the Agapi loan.
- Professional fees were \$252,353 (2024 - \$161,236) due to audit and legal fees. The increase during the current year was due to an increase in legal fees.
- Travel costs were \$33,438 (2024 - \$Nil) due to increased business travel in the year.

INVESTING ACTIVITIES

Agapi Shares

As the Agapi Transaction was never consummated, Cypher currently owns 802,290 Agapi Shares, representing 12.78% of the issued and outstanding Agapi Shares. In addition to the Agapi Shares received, Cypher also received royalties on the gross sales of all current and future products ("**Gross Sales**"). Such royalties to be paid in priority to all existing royalties are as follows:

- A 5% royalty on the first \$5,000,000 of Gross Sales;
- An additional 2.5% royalty on Gross Sales from \$5,000,001 to \$7,500,000; and
- An additional 2.5% royalty on Gross Sales from \$7,500,001 to \$10,000,000.

Should Agapi achieve the above-noted Gross Sales, Cypher would be entitled to additional consideration of \$375,000. Agapi imports cigars under the brand "Freud Cigar Co." from two factories in the Dominican Republic, Tabacalera William Ventura and Tabacalera Diaz Cabrera. Both factories are owned and managed by well-known tobacco blenders. The factories work in partnership with the Company to curate unique and innovative cigar blends targeted at the luxury cigar consumer in the U.S.

SELECTED QUARTERLY RESULTS

A summary of selected information for each of the past eight quarters is as follows:

	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025
Revenue	\$ -	\$ -	\$ -	\$ -
Net loss	(1,047,975)	(228,495)	(326,786)	(371,914)
Basic and diluted loss per share	(0.26)	(0.06)	(0.08)	(0.10)
Weighted average shares outstanding	4,049,794	3,978,351	3,897,664	3,816,926

	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024
Revenue	\$ -	\$ -	\$ -	\$ -
Net loss	(360,834)	(154,552)	(174,130)	(207,554)
Basic and diluted loss per share	(0.23)	(0.12)	(0.14)	(0.17)
Weighted average shares outstanding	1,552,923	1,283,896	1,241,997	1,193,127

The Company's comprehensive loss totaled \$1,047,975 for the three months ended December 31, 2025, with basic and diluted loss per share of \$(0.26) compared to a \$228,495 Q3 2025 comprehensive loss in the comparative period. The increase in comprehensive loss was primarily due to the \$842,405 impairment of the investment in Agapi.

The Company's comprehensive loss totaled \$228,495 for the three months ended September 30, 2025, with basic and diluted loss per share of \$(0.06). During the quarter, the Company earned revenue from digital asset mining of \$Nil. The loss during the period primarily related to management and consulting fees of \$130,191, general and admin expenses of \$48,457 and professional fees of \$45,228.

The Company's comprehensive loss totaled \$326,786 for the three months ended June 30, 2025, with basic and diluted loss per share of \$(0.08). During the quarter, the Company earned revenue from digital asset mining of \$Nil. The loss during the period primarily related to general and admin expenses of \$55,952, professional fees of \$31,007, and management and consulting of \$197,936.

The Company's comprehensive loss totaled \$371,914 for the three months ended March 31, 2025, with basic and diluted loss per share of \$(0.10). During the quarter, the Company earned revenue from digital asset mining of \$Nil. The loss during the period primarily related to general and admin expenses of \$31,664, professional fees of \$72,506, and management and consulting of \$223,164.

The Company's comprehensive loss totaled \$360,834 for the three months ended December 31, 2024, with basic and diluted loss per share of \$(0.23). The loss during the period primarily related to \$109,245 related to the settlement of the loan receivable with Agapi and management and consulting of \$266,974.

The Company's comprehensive loss totaled \$154,552 for the three months ended September 30, 2024, with basic and diluted loss per share of \$(0.12). During the quarter, the Company earned revenue from digital asset mining of \$Nil. The loss during the period primarily related to general and admin expenses of \$6,430, professional fees of \$42,260, and consulting of \$112,260.

The Company's comprehensive loss totaled \$174,130 for the three months ended June 30, 2024, with basic and diluted loss per share of \$(0.14). During the quarter, the Company earned revenue from digital asset mining of \$Nil. The loss during the period primarily related to general and admin expenses of \$8,110, professional fees of \$22,999, and consulting of \$115,425.

The Company's comprehensive loss totaled \$207,554 for the three months ended March 31, 2024, with basic and diluted loss per share of \$(0.17). During the quarter, the Company earned revenue from digital asset mining of \$Nil. The loss during the period primarily related to general and admin expenses of \$24,354, professional fees of \$28,864, and consulting of \$155,825.

OFF-BALANCE-SHEET ARRANGEMENTS

As of the date of this MD&A, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

PROPOSED TRANSACTIONS

On October 28, 2025, Cypher and Noninvasix entered into the LOI, providing for the general terms and conditions in respect of a business combination involving the Company, Noninvasix, and Subco to be carried out pursuant to the Merger Agreement.

On December 12, 2025, in connection with the LOI, Cypher, Noninvasix, and Subco entered into the Merger Agreement, providing for the implementation of the Proposed Transaction, completion of which constitutes a Fundamental Change under the policies of the CSE, creating a Resulting Issuer who must meet the criteria for listing on the CSE.

The Proposed Transaction is expected to be completed by way of a Merger whereby Subco will merge with and into Noninvasix under Section 251 of the DGCL on the terms described in the Merger Agreement. Upon completion of the Merger, Noninvasix will become a wholly-owned subsidiary of Cypher.

Upon the satisfaction or waiver of the conditions set out in the Merger Agreement, the following, among other things, will be completed in connection with the Proposed Transaction:

- Noninvasix shareholders will receive one (1) Resulting Issuer share for every one (1) Noninvasix share held by such Noninvasix shareholder;
- all outstanding Warrants will be replaced with equivalent convertible or exchangeable securities of the Resulting Issuer, entitling the holders thereof to acquire Resulting Issuer shares;
- the Resulting Issuer board and management will be reconstituted; and
- Cypher will complete a name change as determined by Noninvasix in its sole discretion, in compliance with applicable laws and as may be acceptable to the CSE.

Completion of the Proposed Transaction remains subject to approval by Cypher's shareholders, the CSE, and satisfaction of conditions precedent in the Merger Agreement.

The Proposed Transaction is subject to various risks and uncertainties. See "*Risks and Uncertainties*".

SIGNIFICANT EVENTS

On January 1, 2025, Tatiana Kovaleva, resigned as Cypher's Chief Financial Officer, and on January 24, 2025, Michael Hopkinson was appointed as CFO.

On January 29, 2025, Cypher completed the LIFE Offering, issuing 1,978,330 Common Shares at a price of \$0.475 per Common Share for aggregate gross proceeds of \$939,706 and a concurrent non-brokered private placement of Common Shares.

In February 2025, the CSE determined that Cypher had not met the continued listing requirements as set out in CSE Policy 2, Appendix A, section 2.9. Pursuant to section 2.4 of CSE Policy 6, the Company may not rely on confidential price protection, nor complete any financing without prior CSE approval. As a result, the Company ceased to trade on the CSE under the symbol “CODE” and started trading on the CSE under the symbol “CODE.X”. Currently, trading under the symbol “CODE” is halted in compliance with the policies of the CSE, and trading under the symbol “CODE.X” is halted pending the Proposed Transaction.

On February 18, 2025, the Company appointed Jeff Koyen as an independent director.

On April 24, 2025, the Company announced the appointment of Davidson & Company LLC, Chartered Professional Accountants, as the Company’s new auditor to hold office until the next annual meeting of shareholders. The Company’s former auditor, PKF Antares Professional Corporation (“**PKF**”), resigned effective April 9, 2025. PKF’s reports with respect to Cypher’s financial statements for the fiscal years ended December 31, 2023 and December 31, 2024 did not contain a modified opinion.

On July 25, 2025, Cypher closed a non-brokered private placement of Units, whereby it issued an aggregate of 219,125 Units at a price of \$0.32 per Unit for aggregate gross proceeds of \$70,120, with each Unit comprised of one Common Share and one Warrant. The Company paid aggregate cash finders fees of \$410 and issued, in aggregate, 1,280 finder’s warrants.

On December 23, 2025, in connection with the Proposed Transaction, Cypher closed a non-brokered private placement of Units, whereby it issued 749,258 Units at a price of \$0.33 per Unit for aggregate gross proceeds of \$247,255, with each Unit comprised of one Common Share and one Warrant.

RELATED PARTY TRANSACTIONS AND BALANCES

The key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company. The Company has identified its directors and senior officers as its key management personnel. Total compensation to key management personnel was as follows:

	December 31, 2025	December 31, 2024
	\$	\$
Consulting services – George Tsafalas, CEO & Director	218,400	177,975
Consulting services – Michael Hopkinson, CFO & Director	37,800	-
Consulting services – Tatiana Kovaleva, former CFO	42,000	63,000
Consulting services – Brian Keane, Director	42,303	49,300
Consulting services – Harrison Ross, former Director	-	1,500
Consulting services – Jeff Koyen, Director	33,596	-
Consulting services – David Stadnyk, significant shareholder	120,750	183,750
Total	494,849	475,525

During the year ended December 31, 2025, the Company also paid \$82,238 in office rental expenses on behalf David Stadnyk.

As at December 31, 2025, included in accounts payable is \$2,300 (December 31, 2024 - \$4,890) owing to George Tsafalas, the Company’s President and CEO.

As at December 31, 2025, included in accounts payable is \$Nil (December 31, 2024 - \$1,575) owing to Harrison Ross, the Company’s former director.

As at December 31, 2025, included in accounts payable is \$14,375 (December 31, 2024 - \$Nil) owing to Brian Keane, the Company's director.

As at December 31, 2025, included in accounts payable is \$8,214 (December 31, 2024 - \$Nil) owing to Jeff Koyen, the Company's director.

As at December 31, 2025, included in accounts payable is \$37,800 (December 31, 2024 - \$Nil) owing to Michael Hopkinson, the Company's CFO.

During the year ended December 31, 2025, the Company paid or accrued consulting fees of \$120,750 (2024 - \$183,750) to Stadnyk & Partners Inc., a company controlled by David Stadnyk, a related party by virtue of significant shareholdings in Cypher. Included in accounts payable is \$34,375 (December 31, 2024 - \$Nil) owing to David Stadnyk.

On December 31, 2025, loans payable included \$56,200 (December 31, 2024 - \$Nil) owing to David Stadnyk, a related party by virtue of significant shareholdings in Cypher. The amounts due to and from related parties are unsecured, non-interest bearing and have no specific terms of repayment unless stated otherwise.

During the year ended December 31, 2025, the Company entered a bridge loan ("2025 Bridge Loan") of up to \$50,000 with Agapi, which accrues interest at an annual interest rate of 10% and is repayable in full on May 1, 2026. Agapi is considered a related party in connection with the Agapi Shares held by Cypher and due to David Stadnyk, Agapi's CEO and sole director, being a shareholder of Cypher.

Balance, December 31, 2023	\$	900,772
Funds advanced under 2023 Bridge Loan to Agapi		97,986
Funds repaid		(109,500)
Accrued interest		62,392
Settlement – 802,290 shares of Agapi at \$1.05 per share		(842,405)
Loss on settlement		(109,245)
Balance, December 31, 2024		-
Funds advanced under 2025 Bridge Loan to Agapi		20,000
Accrued interest		1,162
Balance, December 31, 2025	\$	21,162

During the year ended December 31, 2025, the Company advanced cash and paid expenses totalling \$7,608 on behalf of Supreme Critical Metals Inc. ("Supreme"). Supreme repaid the Company and Supreme loaned the Company an additional \$31,500 was received as a loan from Supreme which was settled by way of the Company providing consulting services of \$31,500 to Supreme (recorded to other income). The loans were non-interest bearing and due on demand. Supreme is considered a related party due to George Tsafalas previously serving as Supreme's President and CEO.

Following the Agapi Transaction, the Company entered into the Settlement Agreement with Agapi, which constituted a related party transaction within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*, given that George Tsafalas, the Company's President and CEO, is a shareholder of Agapi and based on the Agapi Shares held by Cypher.

The related party transactions, respectively, were unanimously approved by members of Cypher's board of directors ("Board") who were independent for the purposes thereof, being all directors other than George Tsafalas. No special committee of the Board was established in connection with the related party transactions, the entering into of the Settlement Agreement, Glanis purchase and sale agreements, and matters relating thereto, as the entire Board was engaged in respect thereof, and, other than

George Tsafalas, who abstained from voting thereon, no materially contrary view or abstention was expressed or made by any director of the Company in relation thereto.

SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Please refer to the notes to the financial statements for the year ended December 31, 2025.

CHANGES IN ACCOUNTING POLICIES AND FUTURE ACCOUNTING PRONOUNCEMENTS

Please refer to the notes to the financial statements for the year ended December 31, 2025.

OUTSTANDING SHARE DATA

Details of the Company's outstanding common shares at April 27, 2026:

	<u>Number Outstanding</u>
Common Shares	4,945,898

The following table summarizes Warrants outstanding as at April 27, 2026:

<u>Expiry date</u>	<u>Number of Warrants</u>	<u>Exercise Price</u>
August 6, 2026	74,805	\$ 2.25
September 18, 2026	30,647	\$ 2.25
September 23, 2026	4,000	\$ 2.25
July 25, 2027	219,125	\$ 0.40
July 25, 2027	1,280	\$ 0.40
December 23, 2027	749,258	\$ 0.45
December 23, 2027	31,080	\$ 0.45
	1,110,195	\$ 0.62

FINANCIAL INSTRUMENTS AND RISK FACTORS

Fair values

The Company's financial instruments consist of cash, receivables, long-term investments, and accounts payable and accrued liabilities. Cash is carried at amortized costs, whereas long-term investments are carried at fair value. The fair values of receivables and accounts payable and accrued liabilities approximate their carrying amounts due to their current nature. Management considers the fair value of digital assets to be Level 2 under IFRS 13 Fair Value Measurement ("IFRS 13") fair value hierarchy as the volume-weighted average price taken from www.coingecko.com uses the volumes of multiple digital currency exchanges. There were no transfers between any levels during the period.

Concerning the basis of the valuation for Agapi of \$7,527,997, on April 17, 2024, Agapi closed a non-brokered private placement of 2,624,766 units at a price of \$0.07 per unit (\$1.05 after the 15:1 share consolidation that Agapi completed on October 11, 2024), raising gross proceeds of approximately \$183,734 from arms-length third parties (the "**Agapi Financing**"). Under the Agapi Financing, each unit consisted of one Agapi Share and one common share purchase warrant, exercisable at a price of \$0.12 per warrant (\$1.80 after the consolidation) for a period of two (2) years from closing.

On November 14, 2024, the date of the Settlement Agreement (the “**Settlement Date**”), the total outstanding Agapi Shares was 5,475,929; therefore, the implied value of Agapi (using the most recently completed financing price of \$1.05) prior to the execution of the Settlement Agreement was \$6,571,115.

On the Settlement Date, the Company will record the value of the investment at the fair value of \$1.05 per Agapi Share, which is \$842,405. Cypher also received royalties on the Gross Sales of all current and future products. Should Agapi achieve these Gross Sales thresholds, the Company is entitled to additional consideration of \$375,000. The Company has conducted a fair value assessment of the royalty (subject to auditor review and management estimates) and will record the fair value of the royalty at the Settlement Date, with any premium or discount to the settlement value being recorded as a gain or loss on debt settlement.

During the year ended December 31, 2025, the Company remeasured its investment in Agapi to \$Nil as a result of the financial performance of the investment.

The fair value was determined using an income approach based on unobservable inputs. Due to the deterioration in the investee’s financial position and lack of observable market data, management assessed the recoverable amount to be \$Nil.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Credit risk associated with cash is minimal as the Company deposits the majority of its cash with a large Canadian financial institution. The Company’s credit risk associated with its receivables is monitored by management. The Company has no significant concentration of credit risk arising from operations. Management believes that the credit risk concentration with respect to cash and amounts receivable is remote.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company’s approach to managing liquidity risk is to ensure it has a planning and budgeting process in place to determine the funds required to support its ongoing operations and capital expenditures. The Company ensures that sufficient funds are raised from private placements to meet its working capital requirements, after taking into account existing cash and expected exercise of Warrants. Management believes that it will be successful in raising the necessary funds; however, given the current market conditions, management believes that the raising of the required funds will take longer than is normal and will be at prices that may be less than desirable. There are no assurances that additional funds will be available on terms acceptable to the Company or at all. All of the Company’s financial liabilities have maturities of one year or less as at December 31, 2025.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, commodity prices, equity prices, and foreign currency fluctuations.

Interest Rate Risk

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company’s financial instruments. The Company’s loan receivable is at a fixed rate of interest. The Company is not exposed to significant interest rate risk with respect to these financial instruments as a change in the prevailing interest rates would not impact the future cash flows associated with the fixed rates of interest, nor would they be expected to impact the fair value of future cash flows unless and until such time as these financial instruments matured and were renewed or extended instead of being collected.

Price Risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market. The Company is exposed to price risk associated with its long-term investment, classified in level 3 of the fair value hierarchy, respectively. The Company closely monitors commodity prices of individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations may be significant.

Currency Risk

Currency risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. At December 31, 2025, the Company held an insignificant balance of US dollar assets. A 10% change in the foreign exchange rate would not impact the Statement of Loss and Comprehensive Loss by a material amount.

RISKS AND UNCERTAINTIES

The following specific factors could materially adversely affect the Company and should be considered when deciding whether to make an investment in the Company. The risks and uncertainties described in this MD&A are those the Company currently believes to be material, but they are not the only ones the Company will face. If any of the following risks, or any other risks and uncertainties that the Company has not identified or that it currently considers not to be material, actually occur or become material risks, the Company's business, prospects, financial condition, results of operations and cash flows, and consequently, the price of the Common Shares could be materially and adversely affected. In all these cases, the trading price of the Company's securities could decline, and prospective investors could lose all or part of their investment.

Limited Operating History

The Company has limited operating history as a technology investment company, and no operating history in making investments in the cryptocurrency or blockchain industries. The Company and its business prospects must be viewed against the background of the risks, expenses and problems frequently encountered by companies in the early stages of their development, particularly companies in new and rapidly evolving markets such as the cryptocurrency and blockchain market. There is no certainty that the Company will be able to operate profitably.

No Profits to Date

The Company has not made profits since its incorporation, and it is expected that it will not be profitable for the foreseeable future. Its future profitability will, in particular, depend upon its success in making strategic investments in companies involved in the cryptocurrency and blockchain industries, which themselves are able to generate significant revenues or capital appreciation. Because of the limited operating history and the uncertainties regarding the development of the cryptocurrency market and blockchain technology, there are significant risks associated with the Company's investment strategy.

Additional Requirements for Capital

Substantial additional financing may be required if the Company is to be successful in developing a diversified and material portfolio of investments. No assurances can be given that the Company will be able to raise the additional capital that it may require for its anticipated future development. Any additional equity financing may be dilutive to investors and debt financing, if available, may involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company, if at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated investments.

The Company may be unable to obtain additional financing on acceptable terms or at all

The continued development of the Company will require additional financing. The failure to raise or procure such additional funds, or the failure to achieve positive cash flow, could result in the delay or indefinite postponement of the Company's business objectives. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, will be on terms acceptable to the Company. If additional funds are raised by offering equity securities, existing shareholders could suffer significant dilution. The Company will require additional financing to fund its operations until positive cash flow is achieved.

Volatility in the trading price of our publicly traded securities

The trading price of our Common Shares is subject to volatility due to market conditions and other factors and cannot be predicted. Investment in these securities is inherently risky, and the holders of these securities may not be able to sell their securities at or above the price at which they purchased such securities due to trading price fluctuations in the capital markets. Trading price could fluctuate significantly in response to factors that are both related and unrelated to our operating performance and/or future prospects, and past performance is not indicative of future performance.

Dependence on Management Team

The Company currently depends on certain key senior managers to identify business opportunities and acquisitions. Management, who have developed key relationships in the industry, are also relied upon to oversee the core marketing, business development, operational, and fundraising activities. As the blockchain and cryptocurrency technologies continue to become more competitive and regulated, the Company expects the competition for management and other skilled personnel to intensify. Competition for experienced senior management is intense, and other companies with greater financial resources may offer a higher and more attractive compensation package to recruit our senior managers. If one or more of our senior managers are unable or unwilling to continue their positions with the Company, we may not be able to replace them easily. Failure to attract and retain qualified employees or the loss or departure in the short-term of any member of the senior management may result in a loss of organizational focus, poor operating execution or an inability to identify and execute potential strategic initiatives. This could, in turn, materially and adversely affect the Company's business, financial condition and results of operations.

Cyber security risk

Cyber incidents can result from deliberate attacks or unintentional events, and may arise from internal sources (e.g., employees, contractors, service providers, suppliers and operational risks) or external sources (e.g., nation states, terrorists, hacktivists, competitors and acts of nature). Cyber incidents include, but are not limited to, unauthorized access to information systems and data (e.g., through hacking or malicious software) for purposes of misappropriating or corrupting data or causing operational disruption. Cyber incidents also may be caused in a manner that does not require unauthorized access, such as causing denial-of-service attacks on websites (e.g., efforts to make network services unavailable to intended users).

A cyber incident that affects the Company or its service providers might cause disruptions and adversely affect their respective business operations and might also result in violations of applicable law (e.g., personal information protection laws), each of which might result in potentially significant financial losses and liabilities, regulatory fines and penalties, reputational harm, and reimbursement and other compensation costs. In addition, substantial costs might be incurred to investigate, remediate and prevent cyber incidents.

Litigation risk

The Company may be subject to litigation arising out of its operations. Damages claimed under such litigation may be material, and the outcome of such litigation may materially impact the Company's operations, and the value of Cypher's Common Shares. While the Company will assess the merits of any lawsuits and defend such lawsuits accordingly, they may be required

to incur significant expense or devote significant financial resources to such defenses. In addition, the adverse publicity surrounding such claims may have a material adverse effect on the Company's operations.

Trading Halt

At Cypher's request, trading of Common Shares on the CSE was voluntarily halted on December 15, 2025, in connection with the announcement of the Merger Agreement and will remain halted until completion of the Proposed Transaction.

Proposed Transaction

If the Proposed Transaction is not completed, Cypher will continue to face, and Shareholders will be exposed to, the risks that Cypher currently faces with respect to its business, affairs, operations and future prospects.

The Merger Agreement may be terminated in certain circumstances

Each of Cypher and Noninvasix has the right to terminate the Merger Agreement in certain circumstances. Accordingly, there is no certainty, nor can Cypher provide any assurance, that the Merger Agreement will not be terminated by either Cypher or Noninvasix before the completion of the Merger. For instance, Noninvasix has the right, in certain circumstances, to terminate the Merger Agreement if conditions to the obligations of Noninvasix have not been satisfied or waived. There is no assurance that all of these conditions precedents with respect to Cypher will occur, in which case Noninvasix could elect to terminate the Merger Agreement, and the Merger would not proceed. If the Merger Agreement is terminated, Cypher will still have incurred costs for pursuing the Merger.

Failure to complete the Merger could negatively impact the future business and operations of Cypher

There are a number of material risks relating to the Merger not being completed, including but not limited to the following: (i) certain costs related to the Merger, such as legal, accounting and the expenses and certain of the fees, will be payable by Cypher even if the Merger is not completed; and (ii) Cypher will continue to be subject to various risks related to its ongoing business.

Market Price of the Shares

If, for any reason, the Proposed Transaction is not completed or its completion is materially delayed, the market price of the shares may be materially adversely affected. Cypher's business, financial condition or results of operations could also be subject to various material adverse consequences, including that Cypher would remain liable for costs relating to the Proposed Transaction.

Failure to obtain Requisite Approvals

The completion of the Proposed Transaction is subject to a number of conditions precedent, certain of which are outside the control of Cypher, including obtaining Shareholder approval and CSE approvals concerning the Fundamental Change, and the satisfaction of other customary closing conditions. There can be no certainty, nor can Cypher provide any assurance, that these conditions will be satisfied or waived, nor can there be any certainty as to the timing of their satisfaction or waiver.

A substantial delay in obtaining satisfactory approvals or the imposition of unfavourable terms or conditions in the approvals to be obtained could delay the effective date of the Proposed Transaction and may adversely affect the business, financial condition or results of Cypher.

CONTROLS AND PROCEDURES

In connection with National Instrument 52-109 – *Certificate of Disclosure in Issuer's Annual and Interim Filings*, the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the financial statements and the respective accompanying Management's Discussion and Analysis for the year ended December 31, 2025.

ADDITIONAL INFORMATION

You may access other information about our Company, including our continuous disclosure materials, reports, statements and other information filed with the Canadian securities regulatory authorities through SEDAR+.

You may also obtain a copy of the above-mentioned documents by contacting the Company as follows:

- > Cypher Metaverse Inc.
- > 500 - 666 Burrard Street
- > Vancouver, BC, V6C 3P6
- > 1 (778) 373-8578
- > info@cypher-meta.com