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EdgeTI Announces Three-Cornered Merger with BlockX and Private Placement

ARLINGTON, VA, USA — (Newsfile Corp. – August 2, 2024) - Edge Total Intelligence Inc. (TSXV: CTRL, OTCQB: UNFYF, FSE: Q5i) (the “**Company**”, “**edgeTI**”) is pleased to announce that it has entered into a merger agreement dated August 2, 2024 (the “**Merger Agreement**”), with an arm’s length party to the Company, Block X Capital Corp. (“**BlockX**”), which is a wholly owned subsidiary of Victory Square Technologies Inc. (CSE: VST). Pursuant to the Merger Agreement, the Company proposes to acquire all of the issued and outstanding shares in the capital of Block X (the “**Transaction**”) in exchange for an equivalent number of subordinate voting shares of the

Company (each, a “**SVS**”) by way of a three cornered amalgamation under the *Business Corporations Act* (British Columbia) (the “**Amalgamation**”), such that upon completion of the Amalgamation, the Company will hold all of the issued and outstanding shares in the capital of the corporation that results from the Amalgamation. Each SVS issued as part of the Amalgamation to the holders of common shares of Block X will be issued at a deemed price per share of \$0.40 for aggregate consideration of \$1,700,000. The consideration paid was determined through arm’s length negotiation between the Company and BlockX. The Company determined that \$1,700,000 is a fair offer for BlockX based on comparative development costs if undertaken by the Company independently, which would potentially cost the Company more than \$3,000,000 when performed over a three-year period. The calculated price is reduced based on increased maturity risk as a result of little sustaining engineering since its acquisition by Victory Square Technologies Inc. and no offsetting revenues. The Company anticipates issuing an aggregate of 4,250,000 SVSs in connection with the Transaction. The Company does not anticipate that a new control person or a change of control will result from the Transaction. The Company will not be assuming any long-term debt pursuant to the Transaction.



A fee of \$85,000 will be paid in connection with the Transaction to a finder of the Company, which will be paid through the issuance of SVSs at the deemed issuance price of the Market Price (as defined in the policies of the TSX Venture Exchange ("**TSXV**") of the SVSs as of this date).

No new directors or officers will be added to the Company's management team in connection with the Transaction. Closing of the Transaction is subject to several conditions including the receipt of the approval of the TSXV and other requisite third party approvals.

In the view of management of the Company, the industry in which it operates has demonstrated a move towards the use of blockchain technology to achieve certain "Zero Trust" goals. As such, the management of the Company believes that this acquisition will assist the Company in expanding its federated access control capabilities. Through the acquisition of BlockX, the Company aims to build synergy between BlockX's assets and the Company's existing flagship Digital Twin solution, edgeCore, and through such synergies, further explore blockchain techniques to decentralize access control.

Private Placement

The Company also announces that it proposes to complete a non-brokered private placement (the "**Offering**") of up to 10,625,000 units of the Company ("**Units**") for aggregate gross proceeds of up to \$4,250,000 at a price per Unit of \$0.40 or such other price as may be permitted by the TSXV. There is no minimum offering. Each Unit will consist of one SVS and one-half of one SVS purchase warrant of the Company (each whole warrant, a "**Warrant**"). Each Warrant will entitle the holder thereof to acquire one additional SVS (each, a "**Warrant Share**") at an exercise price of \$0.60 per Warrant Share or such other price as may be permitted by the TSXV until the earlier of: (i) 24 months from the date of issuance of the Warrants; and (ii) in the event the volume weighted average price of the SVS on the TSXV (or such other stock exchange on which the greatest volume of SVS is traded) for any continuous 10 trading day period meets or exceeds \$1.20 following the closing of the Offering (the "**Acceleration Condition**"), the date that is 30 days following the issuance of a news release by the Company announcing the acceleration of the expiry of the Warrants, which such news release may be issued at any time following the trigger of the Acceleration Condition (the "**Acceleration Right**"). For avoidance of doubt, the Company shall not be obligated to exercise the Acceleration Right at any time.

The Company may engage one or more agents or finders in connection with the Offering and may pay such parties fees as may be agreed between the Company and such parties, which is expected to comprise of a cash fee of up to 8.0% of the aggregate gross proceeds raised from Units sold to investors introduced by such finders, SVS purchase warrants equal to up to 8.0% of such Units sold to investors introduced by such finders ("**Compensation Warrants**"), and/or corporate finance fees in such amounts as may be agreed between the Company and such finders. Each Compensation Warrant will entitle the holder thereof to acquire one SVS for 24 months from the date of issuance at an exercise price of \$0.60.



The Company intends to use the net proceeds of the Offering for general working capital and corporate expenses.

All securities issued under the Offering will be subject to a hold period of four months from the date of issuance thereof in accordance with applicable securities laws and may also be subject to additional hold periods in accordance with applicable stock exchange policies and applicable laws.

The closing of the Offering is expected to occur on such date or dates as the Company may determine, and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals, including approval from the TSXV.

As of the date of this press release, to the knowledge of management of the Company, there is no material fact or material change in relation to the Company that has not been generally disclosed.

About BlockX

BlockX is a digital asset management company operating in the block-chain based capital markets. Founded in 2015, BlockX is focused on early-stage companies that accelerate disruptive innovation.

About edgeTI

edgeTI helps customers sustain situational awareness and accelerate action with its real-time digital operations software, edgeCore™ that unites multiple software applications and data sources into one immersive experience called a Digital Twin. Global enterprises, service providers, and governments are more profitable when insight and action are united to deliver fluid journeys via the platform's low-code development capability and composable operations. With edgeCore, customers can improve their margins and agility by rapidly transforming siloed systems and data across continuously evolving situations in business, technology, and cross-domain operations — helping them achieve the impossible.

Website: <https://edgeti.com>

LinkedIn: www.linkedin.com/company/edgeti

YouTube: www.youtube.com/user/edgetechnologies

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Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

The securities of the Company have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”) or any U.S. state securities laws and may not be offered or sold in the United



States absent registration or an available exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities referenced in this press release, in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Forward Looking Statements

This press release contains statements which constitute “forward-looking information” or “forward-looking statements” (together “forward-looking information”) within the meaning of applicable securities laws, including statements the terms and completion of the Transaction and the Offering, timing of completion of the Transaction and the Offering, the use of proceeds of the Offering, the ability of the Company to realize upon any benefits or synergies as a result of the Transaction, the Company making any and all requisite filings and applications with respect to the Offering and the Transaction, the receipt of all requisite approvals in respect of the Offering and the Transaction, the technical, financial and business prospects of the Company, its assets and other matters, the integration of the acquired assets and the Company’s existing assets, and the ability of the assets acquired in assisting the Company in achieving its business objectives. Forward-looking information is often identified by the words “may”, “would”, “could”, “should”, “will”, “intend”, “plan”, “anticipate”, “believe”, “estimate”, “expect” or similar expressions.

Investors are cautioned that forward-looking information is not based on historical facts but instead reflect the Company’s management’s expectations, estimates or projections including expectations regarding the successful integration of the acquired assets into the business operations of the Company, the receipt of all requisite third party approvals, investor uptake in the Offering, expectations regarding general business, economic and public markets conditions as well as expectations concerning future results or events based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made. Although the Company believes that the expectations reflected in such forward-looking information are reasonable, such information involves risks and uncertainties, and undue reliance should not be placed on such information, as unknown or unpredictable factors could have material adverse effects on future results, performance or achievements of the combined company. Among key factors and risks that could cause actual results to differ materially from those projected in the forward-looking information may include, without limitation, present and future business strategies and the environment in which the Company will operate in the future, including the price of inputs including labour costs; investor interest in the Offering; investor perception regarding the Offering, the Transaction, the Company and its business, the ability to achieve its goals, expected costs and timelines to achieve the Company’s goals; that general business and economic conditions will not change in a material adverse manner; successful integration of the assets acquired in the Transaction; that financing will be available if and when needed and on reasonable terms; COVID-19’s impact on the Company; anticipated costs associated comparative development of BlockX assets; the general economic environment; cybersecurity risks; financial projections may prove materially inaccurate or incorrect; the Company may experience difficulties to forecast sales; general competition in the industry from other companies; management of growth-related risks; reliance on management; risks relating to insurance; our business could be adversely affected by increased labour costs or difficulties in finding suitable employees; changes in regulation; changes in customer demand; requirements for further financing; the Company may prioritize growth over short-term financial results. This forward-looking information may be affected by risks and uncertainties in the business of the Company and market conditions. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although the Company has attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated or intended. The Company does not intend, and does not assume any obligation, to update this forward-looking information except as otherwise required by applicable law.

