

UNIVERSAL DIGITAL INC. ANNOUNCES EXTINGUISHMENT OF \$3.3 MILLION CONVERTIBLE DEBENTURE FINANCING AND ISSUANCE OF PROMISSORY NOTE

Vancouver, British Columbia – January 28, 2026 – Universal Digital Inc. (“Universal Digital” or the “Company”) (CSE:LFG, FSE:8R20, OTCQB:LFGMF) announces that on January 27, 2026, it entered into a termination agreement with Helena Global Investment Opportunities 1 Ltd. (“Helena”) pursuant to which the subscription agreement dated October 24, 2025 governing the senior secured convertible debenture financing previously announced on November 3, 2025 has been terminated, and the financing has been extinguished.

The extinguishment of the convertible debenture financing eliminates all conversion rights, warrants, and future funding obligations previously associated with the debenture facility and results in a simplified capital structure.

Transaction Overview:

- The termination agreement provides for a definitive exit from the US\$3,336,364 senior secured convertible debenture facility, with no remaining conversion rights or warrants outstanding.
- As a result of the termination, the Company will no longer have any future funding obligations under the debenture facility, and the associated derivative and security arrangements have been eliminated.
- In connection with the termination, the Company has issued a short-term, non-convertible promissory note in the principal amount of US\$300,000 as part of the negotiated settlement relating to the extinguishment of the prior convertible debenture obligation.

“This transaction resolves the Company’s outstanding convertible debenture financing and removes the associated conversion features,” said Chris Yeung, CEO of Universal Digital. “With the debenture extinguished, the Company has simplified its capital structure and can continue to focus on executing its business strategy.”

Pursuant to the termination agreement, the outstanding senior secured convertible debentures in the aggregate principal amount of US\$3,336,364 have been extinguished. As part of the termination, Helena will receive and retain all assets held in the custodial account that previously secured the convertible debentures. In addition, the Company has issued to Helena a non-convertible promissory note in the principal amount of US\$300,000. The promissory note does not constitute a continuation, amendment, or replacement of the prior financing arrangement. The promissory note bears interest at a rate of 6% per annum, matures three months from the date of issuance, and may be prepaid at any time without penalty. The obligations under the promissory note are secured by a pledge of certain equity securities of ReYuu Japan Inc. held by the Company.

About Universal Digital Inc.

Universal Digital Inc. is a Canadian investment company focused on digital assets, businesses and private and publicly listed entities that are involved in high-growth industries, with a particular focus on blockchain, cryptocurrencies and cryptocurrency technologies. The Company aims to provide shareholders with long-term capital growth through a diversified investment approach, and to participate in the transformation of global finance through the integration of digital asset strategies.

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Neither the Canadian Securities Exchange nor its Market Regulator (as that term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this release.

Forward Looking Information

This news release contains certain “forward-looking statements” and “forward-looking information” within the meaning of applicable Canadian securities legislation (collectively, “forward-looking statements”). Forward-looking statements are generally identified by the use of words such as “expects”, “anticipates”, “believes”, “intends”, “plans”, “may”, “will”, “could”, “should”, “estimate”, “potential”, “proposed” and similar expressions, or statements that certain events or conditions “may” or “will” occur.

Forward-looking statements in this news release include, but are not limited to, statements relating to the expected effects of the termination of the convertible debenture financing on the Company’s capital structure, the repayment of the promissory note, and the Company’s future business plans and strategic initiatives. Such forward-looking statements are based on management’s current expectations and assumptions, including assumptions regarding the timely satisfaction of the Company’s obligations under the promissory note, general business and market conditions, the availability of capital, and the absence of material adverse changes affecting the Company or its assets.

Forward-looking statements are subject to a number of risks and uncertainties that may cause actual results, performance or developments to differ materially from those expressed or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to, risks relating to the Company’s ability to meet its obligations under the promissory note, changes in market conditions, regulatory developments, fluctuations in digital asset markets, general economic conditions, and other risks described in the Company’s most recent annual information form and other continuous disclosure documents available under the Company’s profile on SEDAR+.

Readers are cautioned not to place undue reliance on forward-looking statements. Forward-looking statements are made as of the date of this news release, and the Company does not undertake any obligation to update or revise any forward-looking statements except as required by applicable securities laws.