UNIVERSAL DIGITAL INC.

ANNOUNCES DEFINITIVE SHARE EXCHANGE AGREEMENT TO ACQUIRE

PQCEE PTE. LTD.

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August 5, 2026 – Vancouver, British Columbia – Universal Digital Inc. ("**Universal Digital**") (**CSE: LFG**) is pleased to announce that it has entered into a definitive share exchange agreement made effective as of August 5, 2026 (the "**Share Exchange Agreement**") with PQCEE Pte. Ltd. ("**pQCee**" or the "**Target**") and each of the shareholders of pQCee (the "**pQCee Shareholders**"), pursuant to which Universal Digital has agreed to acquire all of the issued and outstanding shares in the capital of pQCee (the "**pQCee Shares**") from the pQCee Shareholders in exchange for common shares of Universal Digital (the "**Proposed Transaction**"). The Proposed Transaction is intended to constitute a change of business pursuant to Policy 8 – *Fundamental Changes* of the Canadian Securities Exchange (the "**CSE**"). Following completion of the Proposed Transaction, pQCee will be a wholly-owned subsidiary of Universal Digital and Universal Digital (the "**Resulting Issuer**") is expected to continue the business of pQCee, as described below.

THE SHARE EXCHANGE TRANSACTION

Pursuant to the Share Exchange Agreement, Universal Digital has agreed to acquire the pQCee Shares, which are expected to represent all of the issued and outstanding securities of pQCee at closing, from the pQCee Shareholders, and each pQCee Shareholder has agreed to sell its pQCee Shares to Universal Digital, on the terms and conditions set out in the Share Exchange Agreement. Upon completion of the Proposed Transaction, all of the issued and outstanding pQCee Shares will be owned by Universal Digital and pQCee will become a wholly-owned subsidiary of Universal Digital.

As consideration for the acquisition of the pQCee Shares, Universal Digital will issue an aggregate of 655,038,050 fully paid and non-assessable common shares of Universal Digital (the "**Consideration Shares**") to the pQCee Shareholders on a pro rata basis, as set out in the Share Exchange Agreement and subject to adjustment as provided therein. The Share Exchange Agreement provides that all outstanding pQCee securities, including any redeemable convertible preference shares, options, warrants and other convertible or exercisable securities, are to be converted into, exchanged for, cancelled or otherwise resolved such that, at closing, only pQCee Shares will constitute all of the issued and outstanding securities of pQCee, except as expressly contemplated in the Share Exchange Agreement. No fractional Consideration Shares will be issued in the Proposed Transaction.

Prior to closing of the Proposed Transaction, Universal Digital is expected to complete a consolidation of its issued and outstanding common shares on a ten-to-one (10:1) basis, such that each ten (10) common shares outstanding immediately prior to the effective time of the consolidation will be combined into one (1) common share outstanding immediately following the effective time of the consolidation (the "**Consolidation**"). The Consideration Shares are subject to adjustment by the Consolidation and by the other provisions of the Share Exchange Agreement.

The Share Exchange Agreement contemplates that the transfer of the pQCee Shares will be effected in accordance with the Companies Act 1967 of Singapore and pQCee's organizational documents. Each pQCee Shareholder is required at closing to deliver Singapore share transfer documents in respect of all pQCee Shares held by it. The transferor will remain the holder of the relevant pQCee Shares until the name of Universal Digital is entered into pQCee's electronic register of members as holder of such shares. Following receipt of the Singapore share transfer documents and subject to the relevant transfer instruments being duly stamped, pQCee is required to procure lodgement of the relevant notice of transfer with the Accounting and Corporate Regulatory Authority of Singapore for purposes of updating the electronic register of members to reflect Universal Digital as the registered holder of all pQCee Shares.

It is acknowledged in the Share Exchange Agreement that the Consideration Shares issuable to the pQCee Shareholders are expected to be approximately equal to 88% of the then issued and outstanding common shares of Universal Digital immediately after closing, calculated on a fully-diluted and pre-Consolidation basis, assuming the exercise, conversion or exchange of all outstanding exercisable securities of Universal Digital, including the full conversion or settlement of certain indebtedness and the issuance of all Universal Digital shares required to be issued pursuant to certain legacy obligations, but without considering any securities issuable under the Concurrent Financing (as defined below). The precise number of Consideration Shares issuable to the pQCee Shareholders is subject to adjustment as necessary to reflect such percentage.

The Share Exchange Agreement provides that ten percent (10%) of the Purchaser Shares held by certain holders of Purchaser Shares immediately prior to closing are to be deposited in escrow with a mutually agreed escrow agent at closing, to be held and released in accordance with an escrow agreement to be entered into among Universal Digital, the pQCee Shareholders' representative and the escrow agent prior to closing. The escrowed Purchaser Shares are to be released to the applicable Universal Digital shareholders twelve (12) months following the closing date, subject to any pending or unresolved indemnification claims under the Share Exchange Agreement.

In connection with the Proposed Transaction, it is anticipated that Universal Digital will, among other things: (i) complete the Consolidation, (ii) complete the Concurrent Financing, (iii) complete certain pre-closing restructuring, debt settlement and divestment steps contemplated by the Share Exchange Agreement, including the removal of its subsidiaries from its corporate structure, (iv) file a CSE Form 2A listing statement or management proxy information circular and obtain CSE approval for the change of business transaction, and (v) change its name to a name mutually acceptable to Universal Digital and pQCee, each acting reasonably, as approved by the CSE (the "**Name Change**").

Universal Digital and pQCee will provide further details in respect of the Proposed Transaction in due course by way of press release and in the disclosure document to be prepared and filed in accordance with CSE policies.

Universal Digital has engaged Rock Property Investment Limited ("**Rock**") to provide buy-side M&A advisory and strategic business development services, including in connection with the Proposed Transaction, pursuant to an advisory agreement dated July 16, 2026, as amended July 22, 2026 (the "**Advisory Agreement**"). Pursuant to the Advisory Agreement, Rock will receive a success fee in respect of the Proposed Transaction, which will consist of common shares of the Resulting Issuer representing 2.0% of the Resulting Issuer on a fully diluted basis immediately following closing, without giving effect to any securities issued under the Concurrent Financing (the "**Advisor Shares**"). The Advisor Shares will be included within, and will reduce, the 12.0% fully diluted ownership interest allocated to Universal Digital and its existing securityholders and will not dilute the 88.0% fully diluted ownership interest allocated to the pQCee Shareholders. At closing, all Advisor Shares will be subject to escrow and trading restrictions for twelve (12) months following closing of the Proposed Transaction, subject to applicable law, CSE requirements and any hold period, escrow requirement or trading restriction imposed by applicable regulatory authorities.

ABOUT pQCee

pQCee is a private Singapore corporation focused on the development and commercialization of post-quantum cybersecurity software and related technology solutions, including software designed to support quantum-safe encryption, digital identity, secure communications and blockchain security applications.

pQCee's principal products are SafeQuard, a quantum-safe encrypted email and data protection suite, QKDLite, a key management middleware for secure enterprise and government communications, and

PacketQC, a post-quantum governance tool to help organizations to carry out cryptographic discovery and validation. pQCee has advanced commercialization through deployments in Asia and partnerships with leading technology providers including Thales, Netrust, SendQuick, Feitian, PQShield, Microsoft, and TechCreate. The company owns intellectual property in quantum-safe cryptography and secure key distribution frameworks. Since inception, pQCee has completed two funding rounds of US$2.8M in 2022 and US$3.9M in 2026.

pQCee is a private company incorporated under the laws of Singapore. pQCee's registered office is located at 7 Temasek Boulevard, #12-07, Suntec Tower One, Singapore 038987.

CONCURRENT FINANCING

On or prior to closing of the Proposed Transaction, Universal Digital is expected to complete a private placement of units (the "**Units**") for minimum gross proceeds of US$5,000,000 and maximum gross proceeds of US$10,000,000, at a price per unit to be determined by the Target parties, acting reasonably, based on a combined enterprise pre-money valuation of US$72,500,000, without giving effect to the proceeds of the Concurrent Financing (the "**Concurrent Financing**").

A commission will be payable equal to 7.5% of the gross proceeds of the Concurrent Financing and broker warrants equal to 5% of the number of securities sold under the Concurrent Financing, exercisable at 110% of the offering price for a period of twenty-four (24) months following the closing date of the Proposed Transaction.

Completion of the Concurrent Financing for sufficient proceeds to meet the initial listing requirements of the CSE is a condition to completion of the Proposed Transaction. The funds will be allocated to support ongoing product development, enhancement of intellectual property, and advancement of commercialization activities. Proceeds will also be applied toward strengthening operational capacity and organizational growth.

The Units to be issued pursuant to the Concurrent Financing will be offered by private placement in accordance with applicable securities laws and the rules and policies of the CSE.

The Consideration Shares will be issued pursuant to exemptions from the formal takeover bid, registration and prospectus requirements of applicable securities laws, including, without limitation, the exemption set forth in section 2.11 of National Instrument 45-106 – *Prospectus Exemptions* (business combination and reorganization exemption) and/or other available exemptions under applicable securities legislation. The Consideration Shares will be subject to resale restrictions imposed by applicable securities laws and CSE policies, including a minimum four (4) month and one (1) day hold period from the date of issuance under applicable Canadian securities laws, unless otherwise required by applicable securities laws or CSE policies.

The terms of the Concurrent Financing remain subject to finalization, market conditions, applicable securities laws and CSE approval. Universal Digital and pQCee will provide further updates in respect of the Concurrent Financing in due course by way of press release.

DIRECTORS AND OFFICERS OF THE RESULTING ISSUER

On completion of the Proposed Transaction, the directors and officers of the Resulting Issuer will be appointed, as determined by pQCee and the Company. Further disclosure relating to the directors and officers of the Resulting Issuer will be disclosed in a subsequent press release.

SIGNIFICANT CONDITIONS TO CLOSING

The completion of the Proposed Transaction is subject to a number of conditions precedent, including but not limited to the accuracy of representations and warranties, satisfaction of material covenants, completion of satisfactory due diligence, receipt of applicable board and shareholder approvals, if required, CSE conditional approval for the change of business transaction and listing of the Consideration Shares, filing and CSE acceptance of the applicable listing statement or management proxy information circular, completion of the Concurrent Financing for sufficient proceeds to meet applicable CSE listing requirements, completion of the Consolidation, removal of Universal Digital's subsidiaries from its corporate structure, completion of the Name Change, delivery of Singapore share transfer documentation and arrangements for payment of applicable Singapore stamp duty, receipt of required consents and approvals, no injunction or proceeding prohibiting the Proposed Transaction and no material adverse effect in respect of Universal Digital, pQCee or their respective businesses. There can be no assurance that the Proposed Transaction or the Concurrent Financing will be completed as proposed or at all.

ADDITIONAL INFORMATION

Universal Digital is a reporting issuer in British Columbia and Ontario, and its common shares are listed on the CSE under the symbol "LFG". Trading in Universal Digital's common shares will remain halted subject to CSE requirements pending completion or termination of the Proposed Transaction and receipt of applicable CSE approvals.

Additional information will follow as the Proposed Transaction progresses and a listing statement will be prepared and filed in accordance with the policies of the CSE.

All information contained in this press release with respect to pQCee and Universal Digital was supplied by the parties respectively, for inclusion herein, and each party and its directors and officers have relied on the other party for any information concerning the other party. Neither party has independently verified the information supplied by the other, and neither party assumes any responsibility for the accuracy or completeness of the information supplied by the other.

ABOUT UNIVERSAL DIGITAL INC.

Universal Digital 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. Universal Digital 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. Universal Digital is a company incorporated under the Business Corporations Act (*British Columbia*) and a reporting issuer in British Columbia and Ontario. Its common shares are listed on the CSE under the symbol "LFG".

For more information about Universal Digital, please refer to Universal Digital's issuer profile on SEDAR+ at www.sedarplus.ca.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This news release contains statements that constitute "forward-looking statements." Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Universal Digital's actual results, performance or achievements, or developments to differ materially from the anticipated results, performance or achievements expressed or implied by such forward-looking statements. Forward looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects," "plans," "anticipates," "believes," "intends," "estimates," "projects," "potential" and similar expressions, or that events or conditions "will," "would," "may," "could" or "should" occur.

Forward-looking statements in this press release include, among others, statements relating to expectations regarding the structure of the Proposed Transaction, the completion of the Proposed Transaction (including all required approvals, including the approval of the CSE), the satisfaction or waiver of the conditions precedent to closing, including completion of the Consolidation and the Name

Change, the structure and completion of the Concurrent Financing, including the use of proceeds, the business plans of pQCee and the Resulting Issuer, the expected directors and officers of the Resulting Issuer, the expected capital structure of the Resulting Issuer, and other statements that are not historical facts. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors and risks include, among others: (a) that there is no assurance that the parties hereto will obtain the requisite director, shareholder and regulatory approvals for the Proposed Transaction; (b) there is no assurance that the Concurrent Financing will be completed or as to the actual offering price or gross proceeds to be raised in connection with the Concurrent Financing; (c) following completion of the Proposed Transaction, the Resulting Issuer may require additional financing from time to time in order to continue its operations which may not be available when needed or on acceptable terms and conditions acceptable; (d) compliance with extensive government regulation; (e) domestic and foreign laws and regulations could adversely affect the Resulting Issuer's business and results of operations; (f) the stock markets have experienced volatility that often has been unrelated to the performance of companies and these fluctuations may adversely affect the price of the Resulting Issuer's securities, regardless of its operating performance; and (g) adverse changes in the public perception of space companies.

The forward-looking information contained in this news release represents the expectations of Universal Digital as of the date of this news release and, accordingly, is subject to change after such date. Readers should not place undue importance on forward-looking information and should not rely upon this information as of any other date. Universal Digital undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change.

This news release does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The Consideration Shares, the Units and any securities issuable upon exercise of any warrants forming part of the Units have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available. "U.S. Person" has the meaning given to such term in Rule 902(k) of Regulation S under the U.S. Securities Act. Any offer or sale of such securities in the United States will be made only to eligible U.S. Accredited Investors or Qualified Institutional Buyers pursuant to Rule 506(b) or Rule 506(c) of Regulation D under the U.S. Securities Act, as determined by Finco, and similar exemptions under applicable state securities laws. "U.S. Person" has the meaning given to such term in Rule 902(k) of Regulation S under the U.S. Securities Act.

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