

TURNIUM TECHNOLOGY GROUP INC.

Condensed Interim Consolidated Financial Statements

March 31, 2026 and 2025

(Expressed in Canadian dollars, unless otherwise indicated)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The condensed interim consolidated financial statements of Turnium Technology Group Inc. (the "Company") are the responsibility of the Company's management. The condensed consolidated interim financial statements are prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting under International Financial Reporting Standards as issued by the International Accounting Standards Board, and reflect management's best estimates and judgments based on information currently available.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities. The Audit Committee reviews the results of the annual audit and reviews the condensed consolidated interim financial statements prior to their submission to the Board of Directors for approval.

The condensed interim consolidated financial statements as at March 31, 2026 and 2025, and for the periods ended March 31, 2026 and 2025, have not been reviewed or audited by the Company's independent auditors.

"DOUG CHILDRESS"

Doug Childress, Director

"PAUL PAGLIARO"

Paul Pagliaro, Director

TURNIUM TECHNOLOGY GROUP INC.

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian dollars)

	March 31, 2026 (Unaudited)	September 30, 2025 (Audited)
Assets		
Current assets		
Cash and cash equivalents	616,589	369,551
Amounts receivable (Note 6)	1,798,851	1,181,661
Prepaid expenses	87,877	152,644
Inventory	4,956	18,955
Total current assets	2,508,273	1,722,811
Assets held for sale	-	1,149,614
Non-current assets		
Prepaid expenses	12,884	12,884
Right-of-use assets (Note 7)	141,156	215,258
Property and equipment (Note 8)	51,073	65,879
Intangible assets (Note 9)	6,418,050	3,428,445
Goodwill (Note 11)	7,819,381	-
Total assets	16,950,817	6,594,891
Liabilities and Deficiency		
Current liabilities		
Accounts payable and accrued liabilities	6,552,605	4,572,153
Deferred revenue (Note 4(h))	1,510,241	109,898
Due to related parties (Note 13)	653,882	792,702
Loans payable (Note 12)	5,470,097	5,450,832
Lease liabilities (Note 10)	100,367	176,167
Total current liabilities	14,287,192	11,101,752
Liabilities related to the assets held for sale	-	378,616
Non-current liabilities		
Loans payable (Note 12)	14,464,587	2,614,734
Long-term payables	251,070	166,196
Deferred revenue (Note 4(h))	-	64,420
Lease liabilities (Note 10)	62,809	102,482
Conversion option liabilities (Note 14)	1,679,547	2,227,665
Total liabilities	30,745,205	16,655,865
Shareholders' Deficiency		
Common shares (Note 15)	20,662,841	19,195,276
Other reserve	632,483	632,483
Warrant reserve (Note 16)	2,508,393	2,147,212
Share-based payment reserve (Note 17)	5,909,398	5,719,979
Accumulated other comprehensive loss	(197,415)	(33,328)
Deficit	(43,310,088)	(37,722,596)
Total deficiency	(13,794,388)	(10,060,974)
Total liabilities and shareholders' deficiency	16,950,817	6,594,891

Nature of operations and going concern (Note 1)

Commitments and contingencies (Note 21)

Subsequent events (Note 28)

Approved and authorized for issuance by the Board of Directors on May 14, 2026:

“DOUG CHILDRESS”

“PAUL PAGLIARO”

(The accompanying notes are an integral part of these condensed interim consolidated financial statements)

TURNIUM TECHNOLOGY GROUP INC.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars except share amounts) - Unaudited

	Three months Ended March 31, 2026	Three months Ended March 31, 2025	Six months Ended March 31, 2026	Six months Ended March 31, 2025
			\$	\$
RESULTS FROM CONTINUING OPERATIONS				
Revenue (Notes 4(h), 26)	6,443,506	1,714,323	7,951,893	3,193,280
Direct costs	(4,273,760)	(509,901)	(4,734,346)	(816,262)
Gross profit	2,169,746	1,204,422	3,217,547	2,377,018
Expenses				
Amortization (Notes 8, 9)	225,415	131,744	357,965	266,939
Amortization of right-of-use assets (Note 7)	31,531	40,484	67,965	78,842
General and administrative (Note 23)	2,836,493	359,615	3,960,754	2,210,534
Research and development (Note 23)	491,879	348,906	1,082,118	598,529
Sales and marketing (Note 23)	1,133,220	369,856	1,660,491	787,860
Share-based compensation (Notes 17, 18)	126,398	9,175	189,419	32,839
Total operating expenses	4,844,936	1,259,780	7,318,712	3,975,543
Loss before other income	(2,675,190)	(55,358)	(4,101,165)	(1,598,525)
Other income (loss)				
Loss on change in fair value of derivatives	-	(27,744)	-	(39,253)
Gain on change in fair value of the conversion option liabilities (Note 14)	1,159,824	-	54,197	-
Gain on lease termination	-	-	32,552	-
Foreign currency translation gain	37,915	51,450	32,011	52,852
Loss on disposal of subsidiary	(33,240)	-	(33,240)	-
Interest and accretion expense (Note 24)	(1,122,666)	(382,511)	(1,616,163)	(770,950)
Net loss before income taxes	(2,633,357)	(414,163)	(5,631,808)	(2,355,876)
Income tax expense	-	-	-	-
Net loss for the period – CONTINUING OPERATIONS	(2,633,357)	(414,163)	(5,631,808)	(2,355,876)
Net profit/(loss) for the period – DISCONTINUED OPERATIONS (Note 27)	10,441	(30,379)	44,316	41,492
Net loss for the period – TOTAL	(2,622,916)	(444,542)	(5,587,492)	(2,314,384)
Other comprehensive income (loss)				
Foreign currency translation gain (loss)	(151,028)	(49,342)	(164,087)	108,788
Comprehensive loss for the period	(2,773,944)	(493,884)	(5,751,579)	(2,205,596)
Basic and diluted loss per common share – CONTINUING OPERATIONS (Note 19)	(0.01)	(0.00)	(0.03)	(0.01)
Weighted average number of common shares outstanding – basic and dilutive (Note 19)	191,078,686	164,962,446	187,865,527	164,962,446

(The accompanying notes are an integral part of these condensed interim consolidated financial statements)

TURNIUM TECHNOLOGY GROUP INC.

Condensed Interim Consolidated Statements of Changes in Shareholders' Deficiency

(Expressed in Canadian dollars except share amounts) - Unaudited

For the Six months Ended March 31, 2026 and 2025

	Common Shares		Other Reserve \$	Warrant Reserve \$	Share-based Payment Reserve \$	Accumulated Other Comprehensive Loss	Deficit \$	Total \$
	Number #	Amount \$						
Balance, September 30, 2024	164,962,446	18,305,177	632,483	1,728,212	5,652,974	(86,806)	(26,433,857)	(201,817)
Share-based compensation	-	-	-	-	32,839	-	-	32,839
Net loss and comprehensive loss	-	-	-	-	-	108,788	(2,314,384)	(2,205,596)
Balance, March 31, 2025	164,962,446	18,305,177	632,483	1,728,212	5,685,813	21,982	(28,748,241)	(2,374,574)
Balance, September 30, 2025	184,757,145	19,195,276	632,483	2,147,212	5,719,979	(33,328)	(37,722,596)	(10,060,974)
Share-based compensation	-	-	-	-	189,419	-	-	189,419
Share issuance costs	-	9,800	-	-	-	-	-	9,800
Debt issuance costs	-	-	-	85,116	-	-	-	85,116
Common shares issued for warrants exercise	500,000	50,000	-	-	-	-	-	50,000
Common shares issued for convertible debentures conversion	5,760,000	536,625	-	198,500	-	-	-	735,125
Common shares issued for business acquisition	10,721,720	871,140	-	-	-	-	-	871,140
Warrants issued for business acquisition	-	-	-	77,565	-	-	-	77,565
Shares cancelled for disposal of subsidiary	(3,171,958)	-	-	-	-	-	-	-
Net loss and comprehensive loss	-	-	-	-	-	(164,087)	(5,587,492)	(5,751,579)
Balance, March 31, 2026	198,566,907	20,662,841	632,483	2,508,393	5,909,398	(197,415)	(43,310,088)	(13,794,388)

(The accompanying notes are an integral part of these consolidated financial statements)

TURNIUM TECHNOLOGY GROUP INC.

Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian dollars) - Unaudited

	Three months Ended March 31, 2026	Three months Ended March 31, 2025	Six months Ended March 31, 2026	Six months Ended March 31, 2025
			\$	\$
Operating activities				
Net loss for the period	(2,622,916)	(444,542)	(5,587,492)	(2,314,384)
Items not affecting cash:				
Accretion	612,879	236,985	1,095,130	584,327
Depreciation and amortization	235,598	130,511	378,332	265,706
Amortization of right-of-use assets	31,531	40,484	67,965	78,842
Gain on lease termination	-	-	(32,552)	-
Loss on change in fair value of derivatives	-	27,744	-	39,253
(Gain)/loss on change in fair value of the conversion option liabilities (Note 14)	(1,159,824)	-	(54,197)	-
Share-based compensation (Notes 17, 18)	126,398	9,176	189,419	32,840
Loss on disposal of subsidiary	33,240	-	33,240	-
Foreign currency translation loss (gain)	(167,840)	(57,400)	(175,259)	123,444
Warrants issued for financing costs	85,116	-	85,116	-
Changes in non-cash operating working capital:				
Amounts receivable	(151,403)	26,802	652,431	17,679
Prepaid expenses	73,262	(29,197)	60,387	(81,150)
Inventory	9,682	(15,199)	13,999	1,040
Accounts payable and accrued liabilities	1,638,410	(688,957)	1,106,520	(362,112)
Deferred revenue	(186,681)	137,463	(169,765)	142,593
Net cash used in operating activities	(1,442,548)	(626,130)	(2,336,726)	(1,471,922)
Investing activities				
Purchase of equipment	8,060	(1,162)	-	(6,597)
Purchase of intangible assets	(40,376)	-	(64,428)	(48,300)
Acquisition of subsidiary	(1,000,000)	-	(1,000,000)	-
Net cash used in investing activities	(1,032,316)	(1,162)	(1,064,428)	(54,897)
Financing activities				
Proceeds from related parties	-	154,512	-	49,422
Repayments to related parties (Note 13)	(34,214)	-	(138,820)	-
Proceeds from warrants exercise	50,000	-	50,000	-
Loan proceeds (Note 12)	3,500,690	583,612	4,984,775	1,677,995
Loan repayments	(779,367)	(189,285)	(996,613)	(901,938)
Proceeds from convertible notes (Note 12)	-	449,000	-	1,173,750
Lease payments (Note 10)	(42,612)	(55,714)	(101,426)	(111,869)
Subscriptions received	-	-	-	(41,997)
Net cash provided by (used in) financing activities	2,694,497	942,125	3,797,916	1,845,363
Net increase (decrease) in cash, including cash classified within current assets held for sale	219,633	314,832	396,762	318,544
Less: net decrease in cash and cash equivalents, classified within current assets held for sale	(44,394)	-	(149,724)	-
Net increase (decrease) in cash	175,239	314,832	247,038	318,544
Cash beginning of the year	441,350	148,861	369,551	145,149
Cash end of the year	616,589	463,693	616,589	463,693
Supplemental cash flow information (Note 25)				

TURNIUM TECHNOLOGY GROUP INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended March 31, 2026 and 2025

(Expressed in Canadian dollars) - Unaudited

1. Nature of Operations and Going Concern

Turnium Technology Group Inc. (the “Company”) (together with its subsidiaries, the “Group”) was incorporated on October 17, 2017, pursuant to the provisions of the Business Corporations Act (British Columbia). The head office and registered and records office of the Company is located at 409 – 815 Hornby Street, Vancouver, British Columbia, V6Z 3B7. The Company is classified as a technology company and is listed as a Tier 2 issuer on the TSX Venture Exchange (the “TSX-V”) under the trading symbol “TTGI”.

The Company’s subsidiary, Tenacious Networks Inc. (“TNET”), a company engaged in the provision of professional IT services and support, hardware sales and the resale of third-party services targeted at corporate clients. As of September 30, 2025, the Company had an active plan to sell TNET’s assets and the sale was highly probable, so TNET was classified as held for sale as of September 30, 2025. During the six months ended March 31, 2026 TNET was sold, so it represents discontinued operations in these condensed interim consolidated financial statements (Note 27).

On August 22, 2024, the Group completed its acquisition of 100% of the issued and outstanding securities of Claratti Ltd. (“Claratti”), a provider of managed information technology solutions for enterprises covering areas such as Internet and telecommunications services, remote work and connectivity, cybersecurity, and high-quality hardware and software. Claratti is headquartered in Perth, Australia, and serves hundreds of clients across Australia. As a result of the acquisition, Claratti is now a wholly owned subsidiary of the Company.

On January 1, 2026, the Company acquired substantially all of the assets of Insentra, an Australian-based provider of managed information technology services. Insentra delivers solutions across areas including cloud services, managed IT support, and enterprise technology enablement, serving a broad client base in Australia and internationally. The transaction has been accounted for as a business combination, and as a result, Insentra became a wholly owned subsidiary of the Company.

These condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will be able to realize its assets and discharge its liabilities in the normal course of business. As of March 31, 2026, the Group had a working capital deficiency of \$11,778,919 (September 30, 2025 - \$9,378,941), and accumulated deficit of \$43,310,088 (September 30, 2025 - \$37,722,596), and for the six months ended March 31, 2026, the Group incurred a net loss of \$5,587,492 (2025 - \$2,314,384). These factors, among others, indicate there are material uncertainties that may cast significant doubt as to the ability of the Group to continue as a going concern. There can be no assurances that sufficient equity can be raised on acceptable terms on a timely basis. Although the Group has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Group. These condensed interim consolidated financial statements do not give effect to any adjustments which would be necessary should the Group be unable to continue as a going concern and, therefore, be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the condensed interim consolidated financial statements. Such adjustments could be material.

TURNIUM TECHNOLOGY GROUP INC.

Notes to the Condensed Interim Consolidated Financial Statements
For the six months ended March 31, 2026 and 2025
(Expressed in Canadian dollars) - Unaudited

2. Basis of Presentation

(a) Statement of Compliance and Principles of Consolidation

These condensed interim consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) on a going concern basis.

The condensed interim consolidated financial statements include the accounts of the Group:

Name of Entity	Place of Incorporation	Ownership
The Company	British Columbia, Canada	Parent
Tenacious Networks Inc*	British Columbia, Canada	100%
Turnium Network Solutions Inc. (“TNSI”)	British Columbia, Canada	100%
Claratti PTY Ltd**	Australia	100%
Intelligent IP Hosting Pty Ltd**	Australia	100%
StormIS Pty Ltd**	Australia	100%
Commulynx Pty Ltd**	Australia	100%
Claratti Telecom Technologies India Private Limited**	India	99%
Biometrics Healthcare Solutions Pty Ltd**	Australia	100%
Green Powertel Pty Ltd***	Australia	100%
Insentra TTGI Canada Ltd.	British Columbia, Canada	100%
Insentra TTGI Australia Pty Ltd.	Australia	100%
Insentra TTGI United Kingdom Ltd.	United Kingdom	100%
Insentra TTGI United States Ltd.	United States of America	100%

* Classified as held for sale as of December 31, 2025, disposed of in the reporting period. All income and expenses of TNET are included up to the date of disposal.

** From August 22, 2024

*** From May 19, 2025. Pursuant to the forfeiture of shares by other shareholders of Green Powertel, the Company became an indirect subsidiary of the Company.

Subsidiaries are entities that the Company controls, either directly or indirectly. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All intercompany transactions and balances have been eliminated upon consolidation.

The condensed interim consolidated financial statements were approved by the Board of Directors and authorized for issue on May 14, 2026.

(b) Basis of Measurement

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments classified as fair value through profit or loss, which are stated at their fair value, and are presented in Canadian dollars, which is also the functional currency of the Company, TNET and TNSI. The functional currency of Claratti is the Australian dollar. Additionally, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information and refundable tax credits (Note 4(m)).

3. Critical Accounting Estimates and Judgments

The preparation of these condensed interim consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed interim consolidated financial statements and reported amounts of expenses for the period.

TURNIUM TECHNOLOGY GROUP INC.

Notes to the Condensed Interim Consolidated Financial Statements
For the six months ended March 31, 2026 and 2025
(Expressed in Canadian dollars) - Unaudited

3. Critical Accounting Estimates and Judgments (continued)

These estimates are, by their nature, uncertain. The impacts of such estimates are pervasive throughout the condensed interim consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities include the following:

a) The useful life and recoverability of long-lived assets:

Management estimates the useful life of long-lived assets based on the period during which the assets are expected to be available for use. The amounts and timing of recorded expenses for depreciation are affected by these estimated useful lives. The estimates are reviewed at least annually and are updated if expectations change as a result of technical or commercial obsolescence, and legal or other limits to use. It is possible that changes in these factors may cause significant changes in the estimated useful lives of the Company's long-lived assets in the future.

The assessment of impairment of long-lived assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions, timing of cash flows, the useful lives of assets, and their related salvage values.

The Group estimates the useful lives and selects methods used to allocate depreciation amounts of property, equipment, and furniture on a systematic basis. Technical obsolescence of tangible assets could significantly impact estimated residual useful lives and, in turn, carrying values being over or understated. Where impairment is indicated, the Group estimates the fair value of the assets and charges the difference between the fair value and the carrying amount, if any, to impairment expense. The estimates of the useful lives of property and equipment are reviewed on an annual basis. Depreciation is adjusted on a prospective basis, if and when required.

b) Convertible debt:

Convertible debts is separated into their liability and equity components on the consolidated statements of financial position. The liability component is initially recognized at fair value, calculated at the net present value of the liability based upon non-convertible debt issued by comparable issuers and accounted for at amortized cost using the effective interest rate method. The effective interest rate used is the estimated rate for non-convertible debt with similar terms at the time of issue. The determination of the fair value of the liability and equity components are based on a number of assumptions including contractual future cash flows, discount factors, and the presence of any derivative instruments.

c) Valuation of intangibles and goodwill:

The impairment test for cash generating units ("CGUs") to which goodwill is allocated based on the value in use of the CGU, determined in accordance with the expected cash flow approach. The calculation is based on assumptions used to estimate future cash flows, the cash flow growth rate and the discount rates. The Company exercises significant judgement in determining CGUs.

d) The inputs used in the valuation of share-based compensation:

The fair value of stock options granted and finders' warrants are measured using a Black-Scholes option pricing model. Measurement inputs include share price on measure date, exercise price of the option, expected volatility, actual and expected life of the option, expected dividends based on the dividend yield at the date of the grant, anticipated forfeiture rate, and the risk-free interest rate. In order to estimate volatility, the Company uses companies with similar characteristics that have prices quoted on an active exchange. The expected life of the options is based on historical experience and general option holder behavior. The Company also makes an estimate of the number of options that will be forfeited and the rate is adjusted to reflect the actual number of options that vest. Consequently, the actual share-based compensation expense may vary from the amount estimated.

TURNIUM TECHNOLOGY GROUP INC.

Notes to the Condensed Interim Consolidated Financial Statements
For the six months ended March 31, 2026 and 2025
(Expressed in Canadian dollars) - Unaudited

3. Critical Accounting Estimates and Judgments (continued)

e) Revenue recognition for special contracts and projects:

The Company has projects with multiple performance obligations that generally include subscriptions for software and services. Estimates are required to determine the status of a project at each period-end. The Company's revenue recognition policy is described in Note 4(h).

f) Incremental borrowing rate:

The Company uses estimation in determining the incremental borrowing rate used to measure the loan liabilities. This rate represents the rate that the Company would incur to obtain the funds necessary to purchase the asset of a similar value, with similar payment terms and security in similar economic environment.

g) Allowance for credit losses:

The Company provides for doubtful debts by analyzing the historical default experience and current information available about a customer's credit worthiness on an account-by-account basis. Uncertainty relates to the actual collectability of customer balances that can vary from the Company's estimation.

h) Inventory:

Inventory is recorded at the lower of cost and net realizable value. Cost is determined using the weighted average cost method. Net realizable value is the estimated selling price in the ordinary course of business, less selling expenses. Inventory currently consists of sellable hardware. All inventories are periodically reviewed for impairment due to slow-moving and obsolete inventory. Provisions for obsolete, slow-moving or defective inventories are recognized in profit or loss. Previous write-downs to net realizable value are reversed to the extent there is a subsequent increase in the net realizable value of the inventories.

i) Application of the going concern assumption:

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern. As discussed in Note 1, these condensed interim consolidated financial statements have been prepared under the assumptions applicable to a going concern.

j) Business combinations:

Judgment is used in determining whether an acquisition is a business combination or an asset acquisition. In a business combination, all identifiable assets, liabilities, and contingent liabilities acquired are recorded at their fair values. Assets are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

In determining the allocation of the purchase price in a business combination, including any acquisition related contingent consideration, estimates including market based and appraisal values are used. The contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity.

TURNIUM TECHNOLOGY GROUP INC.

Notes to the Condensed Interim Consolidated Financial Statements
For the six months ended March 31, 2026 and 2025
(Expressed in Canadian dollars) - Unaudited

3. Critical Accounting Estimates and Judgments (continued)

k) Revenue recognition

With sales through third parties the Company determines whether the third-party is acting as an agent or a principal under these agreements. When deciding the most appropriate basis for presenting revenue or costs of revenue, both the legal form and substance of the agreement between the Company and its business partners are reviewed to determine each party's respective role in the transaction. Where the Company's role in a transaction is that of principal, revenue is recognized on a gross basis. This requires revenue to comprise the gross value of the transaction billed to the customer, after trade discounts, with any related expenses of the third-party charged as an operating cost. Where the Company's role in a transaction is that of an agent, revenue is recognized on a net basis with revenue representing the margin earned.

l) Leases:

The Company applies judgment in determining whether the contract contains an identified asset, whether the Company has the right to control the asset, and the lease term. The lease term is based on considering facts and circumstances, both qualitative and quantitative, that can create economic incentive to exercise renewal options. Right-of-use ("ROU") assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. The Company uses an implicit rate of interest to determine the present value of lease payments utilizing its incremental borrowing rate, as the implicit rate of interest in the respective leases is not readily determinable. The Company's incremental borrowing rate is the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

m) Deferred tax assets:

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company generating future taxable income against which the deferred tax assets can be utilized. In addition, significant judgment is required in classifying transactions and assessing probable outcomes of tax positions taken, and in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

n) Allowance for uncollectible trade receivables:

The valuation of allowances for uncollectible trade receivables requires judgement involving estimated credit losses based on customer, industry concentrations and the Company's knowledge of the financial conditions of its customers. Uncertainty relates to the actual collectability of customer balances that can vary from management's estimates and judgment.

o) Government grants:

The recognition of government grants involves judgment in determining whether there is reasonable assurance that the Company has complied, and will continue to comply, with the conditions attached to the grants and that the amounts will be received. Management is required to estimate eligible expenditures and assess compliance with applicable program requirements in determining the amount and timing of grant income and the related receivable. Actual amounts received may differ from estimates as a result of subsequent assessments or reviews by the granting authorities.

p) Discontinued operations and assets held for sale:

The determination of whether assets or disposal groups qualify for classification as held for sale or as discontinued operations requires the application of judgment. This includes assessing whether the assets are available for immediate sale, whether the sale is highly probable, and whether the criteria for classification are met as at the reporting date. Where assets are classified as held for sale, management applies judgment in estimating fair value less costs to sell, including assumptions related to expected sale proceeds, transaction costs, and prevailing market conditions. Changes in these assumptions could result in adjustments to the carrying amounts.

TURNIUM TECHNOLOGY GROUP INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended March 31, 2026 and 2025

(Expressed in Canadian dollars) - Unaudited

4. Material Accounting Policy Information

(a) Cash and cash equivalents

The Company considers cash, cash held with financial institutions, and all highly liquid instruments with an original maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value, to be cash equivalents.

(b) Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined. Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss.

The assets and liabilities of foreign operations are translated into Canadian dollars at period-end exchange rates. Income and expenses, and cash flows of foreign operation are translated into Canadian dollars using average exchange rates. Exchange differences from translating foreign operations are recognized in other comprehensive income (loss) and accumulated separately in shareholders' equity (deficiency).

Foreign currency translation gains or losses arising from a monetary item receivable or payable to a foreign operations, the settlement of which is neither planned nor likely to occur in the foreseeable future and which in substance is considered to form part of the net investment in the foreign operation, are recognized in other comprehensive income (loss) in the translation reserve.

(c) Financial instruments

(i) Recognition and initial measurement

The Group's financial instruments consist of cash, amounts receivable, accounts payable, due to related parties, promissory notes, loans payable, lease liabilities and derivative warrant liabilities.

Amounts receivables are initially recognized when they are originated. All other financial assets and liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost; fair value through other comprehensive income ("FVOCI") – debt investment; FVOCI - equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model. The Group does not have any financial assets classified as FVTPL except cash, or any financial assets classified as FVOCI, but only those classified at amortized cost.

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4. Material Accounting Policy Information (continued)

(c) Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Financial assets: Subsequent measurement and gains and losses

Financial assets at amortized cost: These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in the consolidated statements of loss and comprehensive loss. Any gain or loss on derecognition is recognized in the consolidated statements of loss and comprehensive loss.

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the consolidated statements of loss and comprehensive loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the consolidated statements of comprehensive loss. Any gain or loss on derecognition is also recognized in the consolidated statements of loss and comprehensive loss.

The Company's financial liabilities of accounts payable, due to related parties, loans payable, long-term payables and lease liabilities are classified as measured at amortized cost, and derivative warrant liabilities and contingent consideration liabilities are classified as FVTPL.

(iii) Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The Company enters into transactions whereby it transfers assets recognized in its consolidated statements of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in the consolidated statements of loss and comprehensive loss.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

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4. Material Accounting Policy Information (continued)

(d) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the 12-month expected credit losses.

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track the changes in credit risk but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company considers historical credit loss experience, adjusted for forward-looking factors specific to the debtors, and the economic environment.

The Company recognizes in the consolidated statements of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(e) Property and equipment

Property and equipment consist of furniture and fixtures, and computer equipment and is recorded at cost, including all costs directly attributable to bringing the asset to working condition, and amortized annually at following rates calculated to amortize the assets over their estimated useful lives:

Computer equipment	30% declining balance
Furniture and fixtures	20% declining balance

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication those assets have suffered an impairment loss.

(f) Intangible Assets

Intangible assets are recognized at cost. Customer lists were acquired separately, while technology, brand names and customer relationships were recognized as part of the Claratti business combination. Customer lists are amortized on a straight-line basis over 15 years. IPV4 Addresses which comprise a subcategory of customer lists, are amortized on a straight-line basis over 5 years. Technology and brand names are amortized on a straight-line basis over 7 years, and customer relationships are amortized on a straight-line basis over 10 years. Amortization commences when the asset is available for use. The useful lives and amortization methods of intangible assets are reviewed at the end of each reporting period, with changes in estimates accounted for prospectively. At the end of each reporting period, the Company assesses whether there are indicators of impairment for its tangible and intangible assets and, where applicable, estimates the recoverable amount in accordance with IAS 36 Impairment of Assets. In addition, the Company has goodwill as an intangible asset with an indefinite useful life.

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4. Material Accounting Policy Information (continued)

(g) Business combinations and goodwill

Acquisitions of businesses are accounted for using the acquisition method. At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognized at their fair value, except deferred tax assets or liabilities, which are recognized and measured in accordance with IAS 12, *Income Taxes*. Subsequent changes in fair values are adjusted against the cost of acquisition if they qualify as measurement year adjustments. The measurement year is the year between the date of acquisition and the date where all significant information necessary to determine the fair values is available and cannot exceed 12 months. All other subsequent changes are recognized in the consolidated statements of loss and comprehensive loss.

The purchase price allocation process resulting from a business combination requires management to estimate the fair value of identifiable assets acquired including intangible assets and liabilities assumed including any contingently payable purchase price obligation due over time. The Company uses valuation techniques, which are generally based on forecasted future net cash flows discounted to present value. These valuations are closely linked to the assumptions used by management on the future performance of the related assets and the discount rates applied. The determination of fair value involves making estimates relating to acquired intangibles assets, property and equipment and contingent consideration.

In certain situations, goodwill or a bargain purchase gain may result from a business combination. Goodwill is measured as the excess of the consideration transferred over the net amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the excess is recognized immediately in the consolidated statements of loss and comprehensive loss as a bargain purchase gain. Acquisition related costs are recognized in the consolidated statements of loss and comprehensive loss as incurred. Goodwill is assessed for indicators of impairment at each reporting date and is tested annually or whenever events or changes in circumstances indicate that the carrying amount of goodwill exceeds its recoverable amount.

(h) Revenue

The Company accounts for revenue under IFRS 15, *Revenue from Contracts with Customers*, which establishes a five-step model to account for revenue arising from contracts with customers:

- identify the contract with a customer;
- identify the performance obligations in the contract;
- determine the transaction price, which is the total consideration provided by the customer;
- allocate the transaction price among the performance obligations in the contract based on their relative fair values; and
- recognize revenue when the relevant criteria are met for each performance obligation.

The Company has several sources of revenue. Revenue is earned from the grant of non-exclusive, non-transferrable licenses to service providers to use the Company's SD-WAN business platform (the "Platform"). Pursuant to the licensing agreements, the Company charges an initial start-up fee and a license fee for software license units that covers the licensing of all of the software comprised in the Platform. Revenue from license fees is generally earned over time and is recognized on a straight-line basis over the term of the contract. Revenue from initial start-up fees is recognized when the set-up process is complete and the customer has full access to the software.

Revenue is also earned through the sale of onsite and remote support, host/cloud services, and the resale of both hardware and software. Revenue from onsite and remote support are generally earned at a point in time and are recognized at the point in time when the support services have been completed. Certain onsite and remote support is sold on a block of hours basis and is recognized proportionately between the number of hours provided out of the pre-purchased block of hours.

Revenue from host/cloud services is generally earned over time and is recognized using the output method based on time elapsed. Revenue from the resale of hardware and software is generally earned at a point in time and is recognized when the product has been delivered to the customer. Revenue

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4. Material Accounting Policy Information (continued)

(h) Revenue (continued)

from the resale of software licenses is recognized at a point in time on a net amount basis, which is the amount billed to a customer less the amount paid to the software license provider, as inventory risk, credit risk and control is directly transferred.

Payments received in advance are recorded as deferred revenue and brought into revenue as subscription time elapses or as services are delivered.

(i) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If indicators exist, then the asset's recoverable amount is estimated. The recoverable amounts of the following types of intangible assets are measured annually whether or not there is any indication that they may be impaired.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit, or "CGU").

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

In respect of assets other than intangible assets that have indefinite useful lives, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(j) Leases

For contracts entered into subsequent to October 1, 2019, at inception of the contract, the Company assesses whether a contract is, or contains, a lease by evaluating if the contract conveys the right to control the use of an identified asset. For contracts that contain a lease, the Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted by any initial direct costs, and costs to dismantle and remove the underlying asset less any lease incentives. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the underlying asset or the end of the lease term.

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36, *Impairment of Assets*.

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Notes to the Condensed Interim Consolidated Financial Statements

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4. Material Accounting Policy Information (continued)

(j) Leases (continued)

The lease liability is initially measured at the present value of lease payments to be paid subsequent to the commencement date of the lease, discounted either at the interest rate implicit in the lease or the Company's incremental borrowing rate. The lease payments measured in the initial lease liability include payments for an optional renewal period, if any, if the Company is reasonably certain that it will exercise a renewal extension option. The liability is measured at amortized cost using the effective interest method and will be remeasured when there is a change in either the future lease payments or assessment of whether an extension or other option will be exercised. The lease liability is subsequently adjusted for lease payments and interest on the obligation. Interest expense on the lease obligation is included in the consolidated statements of loss and comprehensive loss.

The Company has elected not to recognize right-of-use assets and lease liabilities for leases with a lease term of less than 12 months and for low value leases and recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term, as permitted by IFRS 16.

(k) Share-based payments

The grant date fair value of share-based payment awards granted to employees is recognized as a share-based compensation expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Where equity instruments are granted to parties other than employees, they are recorded by reference to the fair value of the services received. If the fair value of the services received cannot be reliably estimated, the Company measures the services received by reference to the fair value of the equity instruments granted, measured at the date the counterparty renders service.

All equity-settled share-based payments are reflected in share-based payment reserve, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payment reserve is credited to share capital, in addition to any consideration paid.

(l) Research and development

Expenditures on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognized in profit or loss as incurred.

Development activities involve the design and build of new or substantially improved software products, modules, or underlying technologies. Development expenditures are capitalized as an intangible asset only when the Company can reliably measure the costs incurred and demonstrate that the product or process is technically feasible, commercially viable, and expected to generate probable future economic benefits, and that the Company has the intention and sufficient resources to complete development and to use or sell the asset.

Capitalized development costs primarily comprise directly attributable personnel costs, contractor fees, and other costs necessary to prepare the software for its intended use. Capitalized software development costs are measured at cost less accumulated amortization and impairment losses and are amortized on a straight-line basis over their estimated useful lives once the related asset is available for use.

In prior periods, no development costs met the criteria for capitalization. During the current period, certain development expenditures satisfied the recognition criteria and were capitalized accordingly.

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4. Material Accounting Policy Information (continued)

(m) Income Taxes

Income tax comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that they relate to a business combination, or items recognized directly in equity or in the other comprehensive loss. Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustments to income tax payable in respect of previous years. Current income taxes are determined using tax rates and laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amounts of an asset or liability differs from its tax base, except for the taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period, the Company re-assesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

(n) Profit (loss) per share

Basic profit (loss) per share is computed using the weighted average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted profit (loss) per share, whereby all "in the money" stock options and share purchase warrants are assumed to have been exercised at the beginning of the period and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the period. When a loss is incurred during the period, the exercise of stock options and share purchase warrants is considered to be anti-dilutive and basic and diluted loss per share are the same.

(o) Convertible debts

Convertible loans are separated into their liability and equity components on the consolidated financial statements of financial position. The liability component is initially recognized at fair value, determined as the net present value of future payments of interest and principal, discounted at the market rate for similar non-convertible liabilities at the time of issue. The liability component is recognized at amortized cost, using the effective interest method, until extinguished upon conversion or maturity. If a security or instrument becomes convertible only upon the occurrence of a future event outside the control of the Company, or, is convertible from inception, but contains conversion terms that change upon the occurrence of a future event, then any contingent beneficial conversion feature is measured and recognized when the triggering event occurs and contingency has been resolved. The fair value of the equity component of the convertible loan is estimated using the residual method in which the difference between the face value of the instrument and the fair value of the debt component is allocated as the fair value of the equity component.

(p) Accounting for Government Grants and Disclosure of Government Assistance

The Company classifies forgivable loans, or the forgivable portion thereof, from the government as government assistance when there is a reasonable assurance that the Company will meet the terms for forgiveness on the loan. If this threshold is not met, the Company classifies forgivable loans as loan payable, measured initially at fair value in accordance with IFRS 9, *Financial Instruments*.

Government grants, including refundable tax offsets such as the Australian Research and Development (R&D) Tax Incentive, are recognized as other income when there is reasonable assurance that the Company will comply with the conditions attached to the grant and that the grant will be received with corresponding government grant receivable.

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4. Material Accounting Policy Information (continued)

(q) Warrants

The Company has adopted the residual value method with respect to the measurement of shares and warrants issued together as units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The fair value of the common shares issued is determined to be the more easily measurable component and are valued at their fair value, as determined by the closing quoted bid price on the day prior to the announcement date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as share-based payments reserve.

In accordance with IFRS, a contract to issue a variable number of shares fails to meet the definition of equity and is instead classified as a derivative liability and measured at fair value with changes in fair value recognized in the consolidated statements of loss and comprehensive loss at each period-end. The derivative liabilities are ultimately to be converted into the Company's equity (common shares) if the warrants are exercised, or extinguished on the expiry of the outstanding warrants, and do not result in the outlay of any cash by the Company. Immediately prior to exercise, the warrants are remeasured at their estimated fair value. Upon exercise, the intrinsic value is transferred to share capital (the intrinsic value is the share price at the date the warrant is exercised less the exercise price of the warrant). Any remaining fair value is recorded through the consolidated statements of loss and comprehensive loss as part of the change in estimated fair value of derivative warrant liabilities.

(r) Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making operating and financial decisions. This would include the Group's senior management, who are considered to be key management personnel by the Company. Parties are also related if they are subject to common control or significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

(s) Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through the sale rather than through continuing use.

Such assets, or disposals group, are generally measured at the lower of their carrying amount and fair value less costs to see. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, which continued to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale and subsequent gains and losses on remeasurement are recognized in profit or loss.

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4. Material Accounting Policy Information (continued)

(t) Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represent a separate major line of business or geographic area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations;
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is re-presented as if the operation had been discontinued from the start of the comparative year.

(u) Accounting standards and amendments issued

Presentation and Disclosure in Financial Statements (IFRS 18)

In April 2024, the IASB issued IFRS 18 - Presentation and Disclosure in Financial Statements to improve reporting of financial performance. The new standard replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new categories and required subtotals in the statement of profit and loss and also requires disclosure of management-defined performance measures. It also includes new requirements for the location, aggregation and disaggregation of financial information. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements. Retrospective application is required and early adoption is permitted. The Company does not expect any material impact from adoption of this new standard.

Other accounting standards and amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

5. Acquisition

Claratti

On August 22, 2024, the Company completed its acquisition of 100% of the issued and outstanding securities of Claratti.

In connection with the acquisition, the Company issued to the vendors of the Claratti securities (the "Claratti Vendors") 40,000,000 common shares in the capital of the Company at a deemed price of \$0.15 per share for a purchase price of \$6,000,000. These shares were subject to a four-month hold period under applicable securities laws that expired on December 23, 2024, along with a contractual resale restriction (the contractual hold period), such that:

1. 25% of the issuable consideration shares were not subject to a contractual hold period;
2. 25% of the issuable consideration shares were released from the contractual hold on February 22, 2025;
3. 25% of the issuable consideration shares were released from the contractual hold on August 22, 2025;
4. The final 25% of the issuable consideration shares were released from the contractual hold on February 22, 2026.

In addition to these shares, the Claratti Vendors are to be issued contingent consideration in the form of additional common shares in the capital of the Company with an aggregate deemed value of up to \$4,000,000, payable through the issuance of up to 26,666,666 common shares upon the achievement of certain EBITDA (earnings before interest, taxes, depreciation and amortization) projections (the "Claratti Contingent Consideration").

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5. Acquisition (continued)

The Claratti Contingent Consideration is contingent on the Group achieving the following EBITDA projections (which requires the Group to have positive EBITDA):

1. Upon achievement of EBITDA of \$1-million for the year ended September 30, 2025, an earnout payment of \$1,000,000 payable through the issuance of up to 6,666,666 Company shares, to be issued September 28, 2025;
2. Upon achievement of EBITDA of \$3-million for the year ending September 30, 2026, an earnout payment of \$3,000,000 payable through the issuance of up to 20,000,000 Company shares, to be issued September 28, 2026.

The fair value of the Claratti Contingent Consideration was estimated by management upon acquisition to be \$642,475, using a simulation approach with 100,000 iterations, an average share price* of \$0.065, a credit spread of 14.70%, volatility of future EBITDA of 92.3%, a risk-free rate of 3.3% per annum and a discount rate of 40.0% per annum.

EBITDA criteria were not met during the year ended September 30, 2025. As of September 30, 2025, the Company reassessed the fair value of the Claratti Contingent Consideration to be \$207,190, using a simulation approach with 500,000 iterations, an average share price* of \$0.065, a credit spread of 9.53%, volatility of future EBITDA of 91.6%, a risk-free rate of 2.47% per annum and a discount rate of 21.0% per annum.

The Company engaged an independent third-party to assist with the valuation of the Claratti assets on acquisition (Note 9, 11). The fair value of the Claratti assets was determined primarily by discounting estimated future cash flows over five years, which were determined based on revenue and expense growth assumptions ranging from 2% to 9% per annum, at a weighted average cost of capital (discount rate) of 40.0% per annum.

As Claratti meets the IFRS 3, *Business Combinations*, definition of a business, the acquisition was accounted for as a business combination and measured at the fair value of consideration paid of \$2,657,475. Claratti is engaged in the provision of professional IT services and support, hardware sales and resale of third-party services targeted at corporate clients.

In accordance with the acquisition method of accounting, the acquisition cost had been allocated to the identifiable underlying assets acquired and liabilities assumed, based upon their estimated fair values at the date of acquisition.

**The higher of 1) \$0.15 and 2) the Discounted Market Price as defined in the policies of the TSX Venture Exchange at closing on the date prior to the issuance the applicable Earnout Shares.*

Discounted Market Price is defined as:

- *If the market price is not greater than \$0.05: The Discounted Market Price is equal to the market price, with a minimum price per security of \$0.01.*
- *If the market price is greater than \$0.05 but less than or equal to \$0.50: The Discounted Market Price is the market price less \$0.01.*
- *If the market price is greater than \$0.50: The Discounted Market Price is 90% of the market price.*

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5. Acquisition (continued)

The purchase price allocation for the acquisition of Claratti as at August 22, 2024 is summarized as follows:

Purchase Consideration:	\$, except number of shares
Number of Company shares issued	40,000,000
Closing share price as at the acquisition date	0.065
Share consideration before discount for lack of marketability	2,600,000
Discount for lack of marketability due to hold provisions	(585,000)
Share consideration	2,015,000
Claratti Contingent Consideration	642,475
Total purchase consideration	2,657,475

Fair value of Claratti's net assets (liabilities) acquired:

Cash	91,545
Property and equipment	47,458
Right-of-use assets	9,999
Brand name	505,294
Technology	1,545,675
Customer relationships	1,608,014
Non-cash working capital deficiency	(3,286,955)
Lease liability	(11,443)
Inter-company loan	(66,259)
Borrowings	(2,970,097)
Fair value of Claratti's net liabilities acquired	(2,526,768)
Resulting goodwill	5,184,243

The resulting goodwill represents the assembled workforce, and sales and growth potential of Claratti and is not to be deductible for tax purposes. The Company tests for impairment annually on September 30, and between annual tests if the Company becomes aware of an event or a change in circumstances that would indicate the carrying value may be impaired. The Company completed its annual impairment test and recognized impairment loss of \$5,185,012 (Note 11).

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5. Acquisition (continued)

Insentra

On January 1, 2026, the Company acquired substantially all of the assets of Insentra. The transaction has been accounted for as a business combination, and as a result, Insentra became a wholly owned subsidiary of the Company, with the acquisition date January 1, 2026. In connection with the acquisition, on closing on February 27, 2026, the Company issued to the vendors of the Insentra's assets (the Insentra Vendors) the following consideration:

Shares: 10,721,720 common shares in the capital of the Company at a deemed price of \$0.20 per share for purchase price of \$2,144,344. These shares were subject to a four-month hold period under applicable securities laws, along with a contractual resale restriction (the contractual hold period), such that:

1. 25 % of the issuable consideration shares will be released from contractual hold on June 27, 2026;
2. 25% of the issuable consideration shares will be released from contractual hold on August 27, 2026;
3. 25% of the issuable consideration shares will be released from contractual hold on February 27, 2027;
4. 25% of the issuable consideration shares will be released from contractual hold on August 27, 2027.

Cash consideration: \$1,000,000 paid in cash on closing;

Take-back Note: \$2,584,000 payable pursuant to an unsecured, non-transferable vendor take-back loan, as follows:

- \$500,000 payable within 30 days following closing;
- \$500,000 payable within 60 days following closing; and
- \$1,584,000 payable in 20 monthly instalments commencing on April 4, 2026 with interest accruing at a rate of 2% above the Royal Bank of Canada prime lending rate per annum, and default interest of 1.25% per month on overdue amounts.

The fair value of the Take-back Note was estimated by management upon acquisition to be \$2,605,094, by discounting the monthly payments over the period using a market interest rate of 5.35%.

Warrants: 1,188,000 common share purchase warrants, each exercisable into one common share at an exercise price of \$0.20 per share for a period of three years from issuance, vesting in equal 1/12 monthly increments over the 12 months following issuance. The fair value of the warrants was estimated by management upon acquisition to be \$77,564, using the Black Scholes Option Pricing Model with the following key inputs: market share price on the transaction date of \$0.1, risk free rate of 2.57% and volatility of 129.86%.

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5. Acquisition (continued)

Contingent consideration consisting of two parts:

- Performance consideration (earnout) of up to \$7,250,000, payable over two fiscal years following closing upon achievement of certain revenue and adjusted EBITDA targets, with:
 - 60% payable in cash; and
 - 40% payable through the issuance of up to 14,500,000 common shares, with an issuance price per share equal to the greater of \$0.20 and a 25% discount to the 10-day volume weighted average price of the Company's shares.
- EBITDA bonus: contingent consideration of up to \$2,000,000, payable over two fiscal years following closing upon achievement of certain adjusted EBITDA targets, with:
 - 60% payable in cash; and
 - 40% payable through the issuance of up to 4,000,000 common shares, with an issuance price per share equal to the greater of \$0.20 and a 25% discount to the 10-day volume weighted average price of the Company's shares.

The fair value of the Insentra Contingent Consideration was estimated by management upon acquisition to be \$4,581,234, using a simulation approach with 100,000 iterations, a credit spread of 2.16% to 2.34%, volatility of future revenue of 31.95 to 33.33%, a risk-free rate of 3.78 to 3.95% per annum.

The Company engaged an independent third-party to assist with the valuation of the Insentra assets on acquisition (Note 9, 11). The fair value of the Insentra assets was determined primarily by discounting estimated future cash flows over ten years, which were determined based on revenue and expense growth assumptions ranging from 2% to 5.6% per annum, at a discount rate of 35% per annum.

As Insentra meets the IFRS 3, *Business Combinations*, definition of a business, the acquisition was accounted for as a business combination and measured at the fair value of consideration paid of \$9,135,032. Insentra is engaged in the provision of professional IT services and support, hardware sales and resale of third-party services targeted at corporate clients.

In accordance with the acquisition method of accounting, the acquisition cost had been allocated on a preliminary basis to the identifiable underlying assets acquired and liabilities assumed, based upon their estimated fair values at the date of acquisition.

The purchase price allocation at January 1, 2026 was preliminary and the determination of the final working capital adjustment, the identification of any intangible assets and the finalization of the value of goodwill remained provisional. If new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition identified adjustments to these amounts, or any additional provisions that existed at the date of acquisition, then the accounting for the acquisition is to be revised.

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5. Acquisition (continued)

The provisional purchase price allocation for the acquisition of Insentra as at January 1, 2026 is summarized as follows:

Purchase Consideration:	\$, except number of shares
Number of Company shares issued	10,721,720
Closing share price as at the acquisition date	0.10
Share consideration before discount for lack of marketability	1,072,172
Discount for lack of marketability due to hold provisions	(201,032)
Share consideration	871,140
Cash consideration	1,000,000
Take-back Note	2,605,094
Warrants consideration	77,564
Insentra Contingent Consideration	4,581,234
Total purchase consideration	9,135,032

Fair value of Insentra's net assets (liabilities) acquired:

Accrued revenue	585,949
Trade name	934,591
Partner relationships	2,175,067
Deferred revenue	(1,549,377)
Provisions	(830,579)
Fair value of Insentra's net assets acquired	1,315,651
Resulting goodwill	7,819,381

Trade name was allocated to intangible assets class "Brand Name", and Partner relationship – to "Customer Relationships" class.

The resulting goodwill represents the assembled workforce, and sales and growth potential of Insentra and is not to be deductible for tax purposes. The Company tests for impairment annually on September 30, and between annual tests if the Company becomes aware of an event or a change in circumstances that would indicate the carrying value may be impaired. Management did not identify any circumstances from the acquisition date that would indicate impairment.

6. Amounts Receivable

	March 31, 2026	September 30, 2025
	\$	\$
Trade receivables	1,725,211	336,075
Government receivable for R&D	51,153	823,656
Taxes recoverable	22,487	21,930
	1,798,851	1,181,661

Insentra entities have amounts receivable from and accounts payable to the Insentra Vendors. These balances are subject to legally enforceable net settlement arrangements, whereby amounts owed between the parties are expected to be settled on a net basis. In accordance with the offsetting criteria under IAS 32 *Financial Instruments: Presentation*, the Company has offset these financial assets and financial liabilities in the consolidated statement of financial position. Accordingly, amounts receivable and accounts payable of \$3,168,249 have been presented on a net basis.

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7. Right-of-use Assets

The Company's right-of-use assets consists of a lease agreement for office space and an equipment lease. The leases have various escalation clauses. Refer to Note 10 for associated lease liabilities at the reporting date.

	\$
Cost:	
Balance, September 30, 2024	735,691
Additions	1,232
Effect of foreign exchange	185
Balance, September 30, 2025	737,108
Additions	91,563
Lease termination	(342,193)
Effect of foreign exchange	(265)
Balance, March 31, 2026	486,213

	\$
Accumulated amortization:	
Balance, September 30, 2024	363,600
Depreciation expense	158,250
Balance, September 30, 2025	521,850
Depreciation expense	67,964
Lease termination	(244,757)
Balance, March 31, 2026	345,057

Net book value:	
Balance, September 30, 2025	215,258
Balance, March 31, 2026	141,156

During the three months ended December 31, 2024, the Company terminated one of the lease agreements for office space and entered into a new office space lease agreement.

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8. Property and Equipment

	Furniture and Fixtures	Computer Equipment	Total
	\$	\$	\$
Cost:			
Balance, September 30, 2024	65,402	118,881	184,283
Additions	-	6,597	6,597
Effect of foreign exchange	-	(1,280)	(1,280)
Balance, September 30, 2025	65,402	124,198	189,600
Additions	-	-	-
Effect of foreign exchange	-	815	815
Balance, March 31, 2026	65,402	125,013	190,415
Accumulated amortization:			
Balance, September 30, 2024	38,691	45,243	83,934
Depreciation expense	5,342	34,445	39,787
Balance, September 30, 2025	44,033	79,688	123,721
Depreciation expense	2,137	13,484	15,621
Balance, March 31, 2026	46,170	93,172	139,342
Net book value:			
Balance, September 30, 2025	21,369	44,510	65,879
Balance, March 31, 2026	19,232	31,841	51,073

9. Intangible Assets

	Customer List	Technology	Brand Name	Customer Relationships	Total
	\$	\$	\$	\$	\$
Cost:					
Balance, September 30, 2024	611,000	1,580,152	516,565	1,643,881	4,351,598
Additions	48,301	219,019	-	-	267,320
Reclassification to assets held for sale	(611,000)	-	-	-	(611,000)
Effect of foreign exchange	-	(27,397)	(11,107)	(34,354)	(72,858)
Balance, September 30, 2025	48,301	1,771,774	505,458	1,609,527	3,935,060
Acquisition (Note 5)	-	-	934,591	2,175,067	3,109,658
Additions	-	64,428	-	-	64,428
Effect of foreign exchange	-	71,589	19,457	66,817	157,863
Balance, March 31, 2026	48,301	1,907,791	1,459,506	3,851,411	7,267,009
Accumulated amortization:					
Balance, September 30, 2024	421,647	24,120	7,885	17,565	471,217
Depreciation expense	50,393	217,691	71,165	158,529	497,778
Reclassification to assets held for sale	(462,380)	-	-	-	(462,380)
Balance, September 30, 2025	9,660	241,811	79,050	176,094	506,615
Depreciation expense	25,197	130,579	70,303	136,632	362,711
Reclassification to assets held for sale	(20,367)	-	-	-	(20,367)
Balance, March 31, 2026	14,490	372,390	149,353	312,726	848,959
Net book value:					
Balance, September 30, 2025	38,641	1,529,963	426,408	1,433,433	3,428,445
Balance, March 31, 2026	33,811	1,535,401	1,310,153	3,538,685	6,418,050

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10. Lease Liabilities

The lease liability, which consists of the present value of minimum lease payments for office space and equipment lease, has been discounted using a 12.75% and 15% interest rate, respectively.

	\$
Balance, September 30, 2024	445,566
Accretion of interest	55,350
Lease payments	(223,723)
Lease amendment	1,751
Effect of foreign exchange	(295)
Balance, September 30, 2025	278,649
Additions	91,563
Lease termination	(124,477)
Accretion of interest	18,433
Lease payments	(101,426)
Effect of foreign exchange	434
Balance, March 31, 2026	163,176

The following is a schedule of future minimum lease payments:

Fiscal year ending September 30:	\$
2026	66,893
2027	63,738
2028	29,366
2029	29,590
2030	4,932
Net minimum lease payments	194,519
Amount representing interest	(31,343)
Present value of minimum lease payments	163,176
Less: current portion	100,367
Long-term portion	62,809

11. Goodwill

	Insentra \$	TNET \$	Claratti \$	Total \$
Balance, September 30, 2024	-	1,137,158	5,184,243	6,321,401
Reclassification to assets held for sale	-	(1,137,158)	-	(1,137,158)
Impairment	-	-	(5,185,012)	(5,185,012)
Effect of foreign exchange	-	-	769	769
Balance, September 30, 2025	-	-	-	-
Acquisition	7,819,381	-	-	7,819,381
Balance, March 31, 2026	7,819,381	-	-	7,819,381

TNET was classified as held for sale as at September 30, 2025, therefore its goodwill was remeasured to at the lower of its carrying amount and fair value less costs to sell, as part of the disposal group (Note 27).

For purposes of the Group's goodwill impairment testing of Claratti, the Company has grouped certain CGUs to test at the lowest level at which management monitors goodwill for internal management purposes, which is the Company-wide level.

The Company performed its annual impairment test of goodwill of Claratti at September 30, 2025. The recoverable amount was determined based on fair value less costs of disposal ("FVLCD") and considered the cash flows of the group of CGU based on the current budget and future commercialization plans. In assessing the FVLCD, estimated future cash flows are discounted to their present value using a discount rate that reflects market assessments of the time value of money and the risks specific to the CGUs. The

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11. Goodwill (continued)

FVLCD calculations were performed using an average pre-tax discount rate of 26%, reflecting market assessments of the time value of money and risks specific to the CGUs. The Company determined the terminal value as an estimate of the present value of future cash flows in the terminal period, applying a terminal growth rate of 2%. Based on the impairment assessment, the recoverable amount of Claratti was estimated at approximately \$1.3 million, which is below the carrying amount of \$6.5 million as at September 30, 2025. As a result, the Company recognized a goodwill impairment loss of \$5,185,012 during the year ended September 30, 2025, representing a full impairment of goodwill. The impairment loss has been recognized in profit or loss and allocated entirely to goodwill. As at September 30, 2025 and as at March 31, 2026, the carrying amount of goodwill is nil.

The Company determined that there was no impairment loss for Insentra based on the proximity to the date of acquisition.

12. Loans Payable

	March 31, 2026	September 30, 2025
	\$	\$
Canada Emergency Business Account loans payable (a)	124,586	148,291
Unsecured convertible notes (b)	276,825	267,812
Operating loan (c)	-	203,840
Financial institution loan (d)	1,417,516	1,423,772
Financial institution loan (e)	-	1,959
Individual loan (f)	93,752	84,083
Individual loan (g)	22,348	19,682
Individual loan (h)	4,632	4,144
Equipment loan (i)	-	2,667
Related party loan (j)	1,393,501	1,305,142
Line of credit (k)	36,322	38,957
Line of credit (l)	35,961	33,683
Insurance loan (m)	17,853	-
Claratti Contingent Consideration (n) (Note 5)	207,190	207,190
Convertible note (o)	491,952	470,164
Convertible note (p)	113,293	96,031
Convertible note (q)	127,459	112,438
Convertible note (r)	409,817	427,058
Convertible note (s)	413,650	435,455
Convertible note (t)	916,191	789,761
Promissory note (u)	-	300,000
Promissory note (v)	751,480	700,000
Promissory note (w)	27,660	75,665
Promissory note (x)	143,830	133,458
Related party promissory note (y)	241,195	223,799
Non-convertible debentures (z)	4,650,000	-
Promissory note (aa)	313,355	-
Individual loan (bb)	-	60,515
Promissory note (cc)	504,290	-
Take-back note (dd) (Note 5)	2,618,793	-
Insentra Contingent Consideration (ee) (Note 5)	4,581,233	-
Individual loan (ff)	-	500,000
Balance, net	19,934,684	8,065,566
Less: current portion	5,470,097	5,450,832
Long-term portion	14,464,587	2,614,734

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12. Loans Payable (continued)

- a) The Company received Canada Emergency Business Account ("CEBA") loans in three equal instalments for an aggregate amount of \$180,000 funded by the Government of Canada. The loans were interest-free until January 18, 2024, at which time, as they were not repaid, the balance converted to a 3-year term loan at an interest rate of 5% per annum. The Company had estimated the initial carrying value of the CEBA loans at \$137,725, using a discount rate of 12.68% per annum, which was the estimated rate for a similar loan without the interest-free component. The total difference of \$42,275 was accreted to other income (loss) on the consolidated statements of loss and comprehensive loss. The Company recognized loan accretion for the six months ended March 31, 2026 of \$Nil (2024 - \$Nil).
- b) On May 17, 2023, the Company closed the first tranche of its previously announced non-brokered private placement of unsecured convertible notes for aggregate gross proceeds of up to \$1-million. The first tranche closing of the offering comprised the issuance of unsecured convertible notes in the aggregate principal amount of \$276,500. The notes issued in connection with the first tranche closing will mature on May 16, 2026, and are convertible into units, each consisting of one common share in the capital of the company and one-half of one share purchase warrant at a conversion price of \$0.16 of principal per note. These warrants have a term of 36 months and entitle the holder to purchase one share at an exercise price of \$0.16 per share. These notes have an interest rate of 12% per annum, with a minimum of four months of interest accrued regardless of the date of repayment or conversion of the notes.

The Company allocated \$41,740 to the equity component of the convertible note, and \$234,760 to the liability component of the convertible note.

For the six months ended March 31, 2026, the Company recognized accretion expense of \$9,012 (2025 - \$7,484) and interest expense of \$16,545 (2024 - \$16,552). As at March 31, 2026, a total of \$276,825 (September 30, 2025 - \$267,812) was outstanding for principal. Accrued interest in amount of \$18,858 is included in the accounts payable and accrued liabilities.

- c) On December 11, 2023, the Company entered into a loan agreement with a third-party for proceeds of \$250,000. The proceeds will be used for operating purposes. This loan is repayable in 60 monthly payments starting November 2024, and matures in November 2029, carries a floating interest rate, calculated at the third-party's floating base rate plus a variance of 3.7% per annum (currently at 9.3% per annum), and is secured by a general security agreement on the Company's assets. For the six months ended March 31, 2026, the loan was repaid in full (2025 - \$21,200).
- d) As a part of the Claratti acquisition (Note 5), the Company assumed a series of seven loans due to a financial institution with a carrying balance of \$1,417,516 as at March 31, 2026 (September 30, 2025 - \$1,423,772). The loans are denominated in Australian dollars. These loans carry interest rates of 18% to 24% per annum, are secured by a personal guarantee, and had a maturity date of December 1, 2025. The loans were not repaid as of March 31, 2026. For the six months ended March 31, 2026, proceeds of \$Nil (2025 - \$614,437) were drawn from these loans, and principal and financing charges of \$293,214 (2025 - \$46,462) were paid.
- e) As a part of the Claratti acquisition (Note 5), the Company assumed a loan due to a financial institution. The loan is denominated in Australian dollars. This loan carries an interest rate of 8.61% per annum, and was secured by equipment. This loan is repaid in monthly instalments over five years, with maturity in December 2025. The Company recorded the fair value of the loan using an incremental borrowing rate of 12.75% per annum and subsequently measured at amortized cost. Accretion of \$58 (2025 - \$646) was recorded for the six months ended March 31, 2026. The loan was fully repaid as at March 31, 2026.
- f) As a part of the Claratti acquisition (Note 5), the Company assumed a working capital loan due to an individual with a carrying balance of \$93,752 as at March 31, 2026 (September 30, 2025 - \$84,083). The loan is denominated in Australian dollars. This loan carries interest of 13.54% per annum payable at maturity in October 2027, and has a term of 3 years. Interest expense of \$5,492 was recorded for the six months ended March 31, 2026 (2025 - \$Nil).

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12. Loans Payable (continued)

- g) On April 30, 2025 the Company entered into a working capital loan due to an arms-length individual with a carrying balance of \$22,348 (September 30, 2025 - \$19,862). The loan is denominated in Australian dollars. This loan carries interest of 18% per annum payable at maturity in April 2028, and has a term of 3 years. Interest expense of \$1,677 was recorded for the six months ended March 31, 2026 (2025 - \$Nil).
- h) On October 9, 2024 the Company entered into a loan agreement with an arms-length individual for a principal amount of \$3,600. The loan is denominated in Australian dollars. The loan bears interest at 13.54% per annum payable at maturity in October 2027, and has a term of 3 years. During the six months ended March 31, 2026, the Company recognized interest expense of \$282 (2025 - \$Nil). As at March 31, 2026, \$4,632 (September 30, 2025 - \$4,144) was outstanding.
- i) As a part of the Claratti acquisition (Note 5), the Company assumed an equipment loan due to financial institution with a carrying balance of \$Nil as at March 31, 2026 (September 30, 2025 - \$2,667). The loan is denominated in Australian dollars. This loan carries an interest rate of 3.4%, and is secured by equipment. This loan is paid in monthly instalments over four years and matured in December 2025. The Company was recorded the fair value of the loan using an incremental borrowing rate of 12.75% and subsequently measured at amortized cost. The loan was fully repaid as at March 31, 2026.
- j) As a part of the Claratti acquisition (Note 5), the Company assumed a loan due to a Company controlled by the CEO of the Company with a principal balance of \$1,341,747 (September 30, 2025 - \$1,280,357) and \$51,753 in interest as at March 31, 2026 (September 30, 2025 - \$24,785). The loan is denominated in Australian dollars. This loan is secured and due on demand. During the six months ended March 31, 2026, \$116,102 in principal and accrued interest was paid (2025 - \$519,171).
- k) As a part of the Claratti acquisition (Note 5), the Company assumed a line of credit due to a financial institution with a carrying balance of \$36,322 as at March 31, 2026 (September 30, 2025 - \$38,957). The loan is denominated in Australian dollars. This loan carries an interest rate of 17.95%, and is secured by personal guarantees. This loan is due on demand. For the six months ended March 31, 2026, \$8,240 in principal and accrued interest was paid (2025 - \$Nil).
- l) As a part of the Claratti acquisition (Note 5), the Company assumed a line of credit due to a financial institution with a carrying balance of \$35,961 as at March 31, 2026 (September 30, 2025 - \$33,683). The loan is denominated in Australian dollars. This loan carries an interest rate of 11.33%, and is unsecured. This loan is due on demand. During the six months ended March 31, 2026, \$1,980 in principal and accrued interest was paid (2025 - \$Nil).
- m) On November 18, 2025 the Company received an insurance loan from a third-party. The loan is denominated in Australian dollars. The carrying balance of the loan as at March 31, 2026 is \$17,853 (September 30, 2025 - \$Nil). The loan carries an interest rate of 15.31% and matures in 10 months. During the six months ended March 31, 2026, proceeds of \$34,775 was obtained from the loan (2025 - \$Nil), \$18,936 of principal and interest was paid and \$1,008 of interest expense was accrued.
- n) As a part of the Claratti acquisition (Note 5), the Claratti Vendors are to be issued additional common shares in the capital of the Company with an aggregate deemed value of up to \$4,000,000 upon the achievement of certain EBITDA (earnings before interest, taxes, depreciation and amortization) projections (Note 5). The fair value of the Claratti Contingent Consideration was estimated to be \$207,190 as at September 30, 2025 and it did not materially change as at March 31, 2026.

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12. Loans Payable (continued)

- o) On November 4, 2024, the Company closed the first tranche of a non-brokered private placement of unsecured convertible notes. The closing comprised the issuance of unsecured convertible notes in the aggregate principal amount of \$501,000. The notes mature on May 4, 2026, and are convertible into units, each consisting of one common share in the capital of the Company and one share purchase warrant at a conversion price of \$0.08 per unit until November 4, 2025, and \$0.10 for the remaining term. These warrants expire on November 4, 2026, and entitle the holder to purchase one Company share at an exercise price of \$0.10. These notes bear interest at a rate of 15% per annum. The Company may, at its option, accelerate the expiry date of the warrants on 30 days of notice if the volume-weighted average trading price ("VWAP") of the common shares on the TSX-V is greater than \$0.30 for the preceding 10 consecutive trading days. The Company paid finders' fees of \$28,350 and issued 354,375 finders' warrants related to this closing. These warrants expire on November 4, 2026 and have an exercise price of \$0.10 per share.

The Company determined the conversion feature met the definition of a derivative liability as the conversion component had a variable conversion price at issuance and therefore failed to meet the "fixed-for fixed" criteria to be classified as equity as outlined in IAS 32 *Financial Instruments: Presentation*. The classification of the conversion feature is determined at issuance and remains the same over the life of the instrument. The Company allocated \$107,972 of the proceeds to the conversion option liability component, and \$393,028 to the note liability component.

For the six months ended March 31, 2026, the Company recognized accretion expense of \$38,940 (2025 - \$42,483) and interest expense of \$36,451 (2025 - \$30,265). As at March 31, 2026, a total of \$500,109 (September 30, 2025 - \$519,942) was outstanding for principal and interest.

For the six months ended March 31, 2026, investors converted \$46,000 of principal amount into the units, at a conversion price of \$0.1 per unit. Consequently, the Company reduced conversion option liability component for \$21,420 and note liability component for \$43,320. The Company issued 460,000 common shares which were valued at fair market value of \$0.1 at \$46,000, and 460,000 share purchase warrants. Using residual method, the value of \$18,740 was allocated to the warrants.

- p) On November 27, 2024, the Company closed the second tranche of a non-brokered private placement of unsecured convertible notes. The closing comprised the issuance of unsecured convertible notes in the aggregate principal amount of \$105,000. The notes mature on May 27, 2026, and are convertible into units, each consisting of one common share in the capital of the Company and one share purchase warrant at a conversion price of \$0.08 per unit until November 27, 2025, and \$0.10 for the remaining term. These warrants expire on November 27, 2026, and entitle the holder to purchase one Company share at an exercise price of \$0.10. These notes bear interest at a rate of 15% per annum. The Company may, at its option, accelerate the expiry date of the warrants on 30 days of notice if the VWAP of the common shares on the TSX-V is greater than \$0.30 for the preceding 10 consecutive trading days. The Company paid finders' fees of \$2,800 and issued 35,000 finders' warrants related to this closing. These finders' warrants expire on November 27, 2026 and have an exercise price of \$0.10 per share.

The Company determined the conversion feature met the definition of a derivative liability as the conversion component had a variable conversion price at issuance and therefore failed to meet the "fixed-for fixed" criteria to be classified as equity as outlined in IAS 32 *Financial Instruments: Presentation*. The classification of the conversion feature is determined at issuance and remains the same over the life of the instrument. The Company allocated \$25,362 of the proceeds to the conversion option liability component, and \$79,638 to the note liability component.

For the six months ended March 31, 2026, the Company recognized accretion expense of \$9,408 (2025 - \$7,879) and interest expense of \$7,853 (2025 - \$5,350). As at March 31, 2026, a total of \$116,823 (September 30, 2025 - \$108,970) was outstanding for principal and interest.

TURNIUM TECHNOLOGY GROUP INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended March 31, 2026 and 2025

(Expressed in Canadian dollars) - Unaudited

12. Loans Payable (continued)

- q) On December 17, 2024, the Company closed the third tranche of a non-brokered private placement of unsecured convertible notes. The closing comprised the issuance of unsecured convertible notes in the aggregate principal amount of \$118,000. The notes mature on June 17, 2026, and are convertible into units, each consisting of one common share in the capital of the Company and one share purchase warrant at a conversion price of \$0.08 per unit until December 17, 2025, and \$0.10 for the remaining term. These warrants expire on December 17, 2026, and entitle the holder to purchase one Company share at an exercise price of \$0.10. These notes bear interest at a rate of 15% per annum. The company may, at its option, accelerate the expiry date of the warrants on 30 days of notice if the VWAP of the common shares on the TSX-V is greater than \$0.30 for the preceding 10 consecutive trading days. The Company paid finders' fees of \$1,500 related to this closing.

The Company determined the conversion feature met the definition of a derivative liability as the conversion component had a variable conversion price at issuance and therefore failed to meet the "fixed-for fixed" criteria to be classified as equity as outlined in IAS 32 *Financial Instruments: Presentation*. The classification of the conversion feature is determined at issuance and remains the same over the life of the instrument. The Company allocated \$18,134 of the proceeds to the conversion option liability component, and \$99,866 to the note liability component of the convertible note.

For the six months ended March 31, 2026, the Company recognized accretion expense of \$6,196 (2025 - \$7,558) and interest expense of \$8,826 (2025 - \$5,075). As at March 31, 2026, a total of \$131,283 (September 30, 2025 - \$122,461) was outstanding for principal and interest.

- r) On January 17, 2025, the Company closed the fourth tranche a non-brokered private placement of unsecured convertible notes. The closing comprised the issuance of unsecured convertible notes in the aggregate principal amount of \$449,000. The notes mature on July 16, 2026, and are convertible into units, each consisting of one common share in the capital of the Company and one share purchase warrant at a conversion price of \$0.08 per unit until January 17, 2026, and \$0.10 for the remaining term. These warrants expire on January 17, 2027, and entitle the holder to purchase one Company share at an exercise price of \$0.10. These notes bear interest at a rate of 15% per annum. The Company may, at its option, accelerate the expiry date of the warrants on 30 days of notice if the VWAP of the common shares on the TSX-V is greater than \$0.30 for the preceding 10 consecutive trading days. The Company paid finders' fees of \$4,830 related to this closing and issued 60,375 finders' warrants exercisable at \$0.10 until January 17, 2027.

The Company determined the conversion feature met the definition of a derivative liability as the conversion component had a variable conversion price at issuance and therefore failed to meet the "fixed-for fixed" criteria to be classified as equity as outlined in IAS 32 *Financial Instruments: Presentation*. The classification of the conversion feature is determined at issuance and remains the same over the life of the instrument. The Company allocated \$65,629 of the proceeds to the conversion option liability component, and \$383,371 to the note liability component.

For the six months ended March 31, 2026, the Company recognized accretion expense of \$21,320 (2025 - \$15,918) and interest expense of \$31,484 (2025 - \$12,916). As at March 31, 2026, a total of \$423,243 (September 30, 2025 - \$465,976) was outstanding for principal and interest.

For the six months ended March 31, 2026, investors converted \$69,000 of principal amount into the units, at a conversion price of \$0.08 per unit. Consequently, the Company reduced conversion option liability component for \$40,417 and note liability component for \$64,828. The Company issued 862,500 common shares which were valued at fair market value of \$0.1 at \$86,250, and 862,500 share purchase warrants. Using residual method, the value of \$18,995 was allocated to the warrants.

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12. Loans Payable (continued)

- s) On May 27, 2025, the Company closed the first tranche of a non-brokered private placement of unsecured convertible notes. The closing comprised the issuance of unsecured convertible notes in the aggregate principal amount of \$1,100,000. The notes mature on May 27, 2028, and are convertible into units, each consisting of one common share in the capital of the company and one share purchase warrant at a conversion price of \$0.08 per unit until May 27, 2026, and \$0.10 for the remaining term. These warrants expire on May 27, 2028, and entitle the holder to purchase one Company share at an exercise price of \$0.10. These notes bear interest at a rate of 15% per annum. The Company may, at its option, accelerate the expiry date of the warrants on 30 days of notice if the VWAP of the common shares on the TSX-V is greater than \$0.30 for the preceding 10 consecutive trading days. The Company paid finders' fees of \$7,350 related to this closing and issued an aggregate of 91,875 non-transferable finder warrants exercisable at \$0.10 until May 27, 2028.

The Company determined the conversion feature met the definition of a derivative liability as the conversion component had a variable conversion price at issuance and therefore failed to meet the "fixed-for fixed" criteria to be classified as equity as outlined in IAS 32 *Financial Instruments: Presentation*. The classification of the conversion feature is determined at issuance and remains the same over the life of the instrument. The Company allocated \$751,121 of the proceeds to the conversion option liability component, and \$348,879 to the note liability component.

For the six months ended March 31, 2026, the Company recognized accretion expense of \$59,216 (2025 - \$Nil) and interest expense of \$75,777 (2025 - \$Nil). As at March 31, 2026, a total of \$853,995 (September 30, 2025 - \$1,156,959) was outstanding for principal and interest.

For the six months ended March 31, 2026, investors converted \$355,000 of principal amount into the units, at a conversion price of \$0.08 per unit. Consequently, the Company reduced conversion option liability component for \$432,084 and note liability component for \$133,056. The Company issued 4,437,500 common shares which were valued at fair market value \$404,375, and 4,437,500 share purchase warrants. Using residual method, the value of \$160,765 was allocated to the warrants.

- t) On June 25, 2025, the Company closed the second tranche of a non-brokered private placement of unsecured convertible notes. The closing comprised the issuance of unsecured convertible notes in the aggregate principal amount of \$1,100,000. The notes mature on June 25, 2028, and are convertible into units, each consisting of one common share in the capital of the Company and one share purchase warrant at a conversion price of \$0.08 per unit until June 25, 2026, and \$0.10 for the remaining term. These warrants expire on June 25, 2028, and entitle the holder to purchase one Company share at an exercise price of \$0.10. These notes bear interest at a rate of 15% per annum. The Company may, at its option, accelerate the expiry date of the warrants on 30 days of notice if the VWAP of the common shares on the TSX-V is greater than \$0.30 for the preceding 10 consecutive trading days. The Company paid finders' fees of \$21,000 related to this closing and issued an aggregate of 87,500 non-transferable finders' warrants of the company, exercisable at \$0.10 until June 25, 2028.

The Company determined the conversion feature met the definition of a derivative liability as the conversion component had a variable conversion price at issuance and therefore failed to meet the "fixed-for fixed" criteria to be classified as equity as outlined in IAS 32 *Financial Instruments: Presentation*. The classification of the conversion feature is determined at issuance and remains the same over the life of the instrument. The Company allocated \$373,320 of the proceeds to the conversion option liability component, and \$726,680 to the note liability component.

For the six months ended March 31, 2026, the Company recognized accretion expense of \$44,157 (2025 - \$Nil) and interest expense of \$82,274 (2025 - \$Nil). As at March 31, 2026, a total of \$1,226,123 (September 30, 2025 - \$1,143,849) was outstanding for principal and interest.

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Notes to the Condensed Interim Consolidated Financial Statements

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12. Loans Payable (continued)

- u) On February 28, 2021, in connection with the acquisition of TNET, the Company entered into a promissory note with a company controlled by the former President of TNET, and a company controlled by the previous CEO of the Company for a principal amount of \$300,000. The promissory note bears interest at a rate of 6% per annum. The promissory note is due on demand and is secured by a General Security Agreement. For the six months ended March 31, 2026, the Company recognized accrued interest of \$6,140 (2025 - \$5,013). All accrued interest, including \$88,374, accrued as of September 30, 2025, and principal amounts were repaid during the six months ended March 31, 2026.
- v) On September 30, 2022, the Company entered into a promissory note with an arms-length individual for a principal amount of \$100,000. The promissory note bears interest at a rate of 1% per month and is due on demand. The loan was not repaid as at March 31, 2026. For the year ended September 30, 2025, the Company recognized accrued interest of \$40,257 for this promissory note.

On March 28, 2024, the Company entered into promissory note with the same individual lender to borrow a total of \$200,000. The note bears interest at 14% per annum. The maturity date of the note was September 28, 2024. The note was not repaid as at December 31, 2025. On March 28, 2024, in connection with the note, the Company issued an aggregate of two million share purchase warrants to the lender (Note 16). Each warrant entitled the holder to purchase one common share of the company at an exercise price of \$0.10 until March 28, 2025. The warrants expired unexercised. For the year ended September 30, 2025, the Company recognized accrued interest of \$40,797 for this note.

On February 19, 2025, the Company entered into a loan agreement with the same arms-length individual for a principal amount of \$300,000. The loans bear interest at 1.5% per month, paid at maturity, and the maturity date of the loan is June 30, 2026. For the year ended September 30, 2025, the Company recognized accrued interest of \$25,053 for this note.

On August 1, 2025, the Company agreed with this lender to consolidate all of these debts, including unpaid interest, into one loan with a principal amount of \$700,000. The consolidated loan bears interest of 1.33% per month and is repayable on December 31, 2027. For the six months ended March 31, 2026, the Company recognized interest expense of \$51,480 (2025 - \$55,085) for this loan.

In connection with the loan agreement, on December 12, 2025, the Company issued an aggregate of 6,000,000 share purchase warrants to the lender (Note 16). Each warrant entitles the holder to purchase one common share of the Company at an exercise price of \$0.10 until December 9, 2027. The warrants are subject to acceleration should the shares trade at or \$0.30 per share for any 10 consecutive trading days.

- w) On March 28, 2024, the Company entered into loan agreements with two arms-length lenders to borrow a total of \$75,000 (\$25,000 and \$50,000 respectively). The loans bear interest at 14% per annum. The maturity date of the loans was September 28, 2024. During the six months ended March 31, 2026, the loan for \$50,000 was repaid, and the loan for \$25,000 was not. On March 28, 2024, in connection with the loan agreements, the Company issued an aggregate of 750,000 share purchase warrants to the lenders (Note 16). Each warrant entitled the holder to purchase one common share of the Company at an exercise price of \$0.10 until March 28, 2025. The warrants expired unexercised. For the year ended September 30, 2025, the Company recognized interest expense of \$14,147 for these loans.

On August 1, 2025, the Company agreed with the lender owed \$25,000 to amend his loan with a new one, payable at December 31, 2027 and bearing interest of 1.33% per month. For the six months ended March 31, 2026, the Company recognized interest expense of \$1,995 (2025 - \$2,023) for this loan.

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12. Loans Payable (continued)

In connection with the loan agreement, on December 12, 2025, the Company issued an aggregate of 250,000 share purchase warrants to the lender (Note 16). Each warrant entitles the holder to purchase one common share of the Company at an exercise price of \$0.10 until December 9, 2027. The warrants are subject to acceleration should the shares trade at or \$0.30 per share for any 10 consecutive trading days.

- x) On March 28, 2024, the Company entered into loan agreement with a company controlled by an arms-length individual to borrow a total of \$25,000. The loan bears interest at 14% per annum. The maturity date of the loan was September 28, 2024. The loan was not repaid as of March 31, 2026. On March 28, 2024, in connection with the loan, the Company issued an aggregate of 250,000 share purchase warrants to the lender (Note 16). Each warrant entitled the holder to purchase one common share of the company at an exercise price of \$0.10 until March 28, 2025. The warrants expired unexercised. For the year ended September 30, 2025, the Company recognized interest expense of \$4,612 (2024 - \$Nil) for this loan.

On December 17, 2024, the Company entered into a promissory note with the same arms-length individual for a principal amount of \$100,000. The promissory note bears interest at 1.5% per month, paid at maturity, and the maturity date of the loan is June 30, 2026. For the year ended September 30, 2025, the Company recognized interest expense of \$5,000 (2024 - \$Nil) for this note.

On August 1, 2025, the Company agreed with the lender to consolidate all of these debts, including unpaid interest, into one loan with a principal amount of \$130,000. The consolidated loan bears interest of 1.33% per month and is repayable on December 31, 2027. For the six months ended March 31, 2026, the Company recognized interest expense of \$10,374 (2025 - \$1,975) for this loan.

In connection with the loan, on December 12, 2025, the Company issued an aggregate of 1,250,000 share purchase warrants to the lender (Note 16). Each warrant entitles the holder to purchase one common share of the Company at an exercise price of \$0.10 until December 9, 2027. The warrants are subject to acceleration should the shares trade at or \$0.30 per share for any 10 consecutive trading days.

- y) On February 5, 2025, the Company entered into a loan agreement with a director of the Company for a principal amount of \$200,000. The loan bears interest at 1.5% per month, paid at maturity, and the maturity date of the loan is June 30, 2026. For the year ended September 30, 2025, the Company accrued interest of \$18,000 (2024 - \$Nil) for this loan.

On August 1, 2025, the Company agreed with the director to consolidate principal and outstanding interest into a loan with a principal amount of \$218,000, payable at December 31, 2027 and bearing interest of 1.33% per month. For the six months ended March 31, 2026, the Company recognized interest expense of \$17,396 (2025 - \$Nil) for this loan.

In connection with the loan agreement, on December 12, 2025, the Company issued an aggregate 2,000,000 share purchase warrants to the lender (Note 16). Each warrant entitles the holder to purchase one common share of the Company at an exercise price of \$0.10 until December 9, 2027. The warrants are subject to acceleration should the shares trade at or \$0.30 per share for any 10 consecutive trading days.

TURNIUM TECHNOLOGY GROUP INC.

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12. Loans Payable (continued)

- z) On February 3, 2026, the Company completed a non-brokered private placement financing for aggregate gross proceeds of \$4.65 million through the issuance of 4,650 units at \$1,000 per unit. Each unit consisted of one secured, non-convertible debenture with a principal amount of \$1,000 and 4,000 non-transferable share purchase warrants. The debentures bear interest at 16% per annum, payable monthly, are secured by a first-ranking security interest over substantially all of the Company's assets (excluding assets of TNET), and have a contractual term of 36 months, subject to scheduled amortization and early repayment provisions. Each warrant entitles the holder to purchase one common share at an exercise price of \$0.10 during 36 months after closing, subject to acceleration provisions. In connection with the financing, 1,200,000 non-transferable finder's warrants were issued to arm's length finders, exercisable at \$0.10 per common share during 36 months after closing. Net proceeds are intended to be used for, among other things, repayment of existing secured debt, funding acquisitions, professional fees, and general working capital.

For the six months ended March 31, 2026, the Company accrued and paid interest expense of \$138,586(2025 - \$Nil).

- aa) In October 2025, the Company entered into promissory note agreements with arm's length individuals, each of whom advanced \$150,000 to the Company. The loans bear interest at 1.5% per annum and mature in December 31, 2025. The loans were not repaid as of March 31, 2026.

For the six months ended March 31, 2026, \$26,710 of interest expense was accrued (2025 – \$Nil) and recognized in profit or loss, \$13,355 of interest was paid. As at March 31, 2026, accrued interest of \$13,355 was included in the loan balance.

- bb) On October 2, 2024, the Company entered into a loan agreement with an individual in the amount of \$278,790. The loan is denominated in Australian dollars. Under the terms of the agreement, the loan was to be repaid in two instalments by December 2, 2024. This loan carries an interest rate of 12% per annum, is unsecured, and is due on demand. For the six months ended March 31, 2026 the loan was repaid.

	\$
Funds received	278,790
Interest accrued	18,231
Repayment	(229,582)
Effect of foreign exchange	(6,924)
Balance, September 30, 2025	60,515
Interest accrued	2,574
Repayment	(65,496)
Effect of foreign exchange	2,407
Balance, March 31, 2026	-

- cc) On March 11, 2026 the Company entered into promissory note agreements with arm's length individuals, who advanced in total \$500,000 to the Company. The loans bear interest at 1.33% per annum and mature in December 31, 2026.

For the six months ended March 31, 2026, \$4,290 of interest expense was accrued (2025 – \$Nil) and recognized in profit or loss. As at March 31, 2026, accrued interest of \$4,290 was included in the loan balance.

TURNIUM TECHNOLOGY GROUP INC.

Notes to the Condensed Interim Consolidated Financial Statements

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12. Loans Payable (continued)

dd) In connection with Insentra acquisition (Note 5), the Company issued Take-back Note, bearing interest 2% above the Royal Bank of Canada prime lending rate per annum. The fair value of the note as of the acquisition date was assessed at \$2,605,094.

For the six months ended March 31, 2026, \$13,699 of interest expense was accrued (2025 – \$Nil) and recognized in profit or loss. No repayments were made for the six months ended March 31, 2026. As at March 31, 2026, accrued interest of \$13,699 was included in the loan balance.

ee) As a part of the Insentra acquisition (Note 5), the Insentra Vendors are to be issued additional consideration contingent on achieving targeted revenue and adjusted EBITDA. 60% of the Insentra Contingent Consideration is payable in cash, and 40% - in shares of the Company.

ff) On August 21, 2025, the Company received \$500,000 from an arms-length individual. The amounts bore no interest, as they were received in advance of the next financing which was scheduled to take place on February 3, 2026 (Note 12 (z)).

The following is an aggregate summary of the maturity of loans payable as of March 31, 2026:

Within 1 year	1-3 years	3+ years	Total
\$5,470,097	\$14,464,587	-	\$19,934,684

13. Related Party Transactions

The following table summarizes the compensation of the Company's key management:

	Three months Ended March 31, 2026	Three months Ended March 31, 2025	Six months Ended March 31, 2026 \$	Six months Ended March 31, 2025 \$
Consulting*	51,820	265,879	282,740	510,540
Salaries and wages*	286,879	104,568	396,311	223,852
Share-based compensation	72,174	385	81,177	2,772

* Salaries and wages paid to key management personnel are included under general and administrative and research and development expenses on the consolidated statement of loss and comprehensive loss.

As at March 31, 2026, \$653,882 (September 30, 2025 - \$792,702) is payable to related parties. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment. As at March 31, 2026, \$55,930 (September 30, 2025 - \$53,821) is receivable from related parties. As at March 31, 2026, the Company owed \$1,341,747 in principal (September 30, 2025 - \$1,280,357) and \$51,753 in interest (September 30, 2025 - \$24,785) under loan agreements (Note 12 (j)) to a company controlled by the CEO of the Company. As at March 31, 2026 the Liabilities related to the assets held for sale include a payable balance to a related party of \$Nil (September 30, 2025 - \$218,972), and a payable balance to the Company of \$Nil, with corresponding receivable balance included in the amounts receivable (September 30, 2025 - \$590,743).

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14. Conversion option liabilities

	\$
Balance, September 30, 2024	-
November 4, 2024: convertible notes (Note 12 (o))	107,972
November 27, 2024: convertible notes (Note 12 (p))	25,362
December 17, 2024: convertible notes (Note 12 (q))	18,134
January 17, 2025: convertible notes (Note 12 (r))	65,629
May 27, 2025: convertible notes (Note 12 (s))	751,121
June 25, 2025: convertible notes (Note 12 (t))	373,320
Fair value change on conversion option liability	886,127
Balance, September 30, 2025	2,227,665
Conversion	(493,921)
Fair value change on conversion option liability	(54,197)
Balance, March 31, 2026	1,679,547

From November 4, 2024 to June 25, 2025, the Company closed six tranches of its previously announced non-brokered private placement of unsecured convertible notes for total proceeds of \$3,373,000 (Note 12 (o) to (t)). In total, the Company allocated \$1,341,538 to the conversion option liability component of the convertible notes, and \$2,031,462 to the note liability component.

During the six months ended March 31, 2026 some investors converted the principal amount of convertible debentures of \$470,000, consequently, the Company reduced the conversion option liability for \$493,921.

The Company recorded a decrease in the estimated fair value of the conversion option liability of \$54,197 for the six months ended March 31, 2026 (2025 - \$Nil).

The following assumptions were used to estimate the fair value of the conversion option liabilities:

	<u>At issue dates</u>	<u>September 30, 2025</u>	<u>December 31, 2025</u>
Annualized volatility	85% - 90%	110% - 120%	100% - 115%
Risk-free interest rate	2.66% - 3.25%	2.41% - 2.47%	3.50% - 3.64%
Life in years	2 - 3	1.1 - 2.7	0.3 - 2.5
Dividend rate	-	-	-
Market price	\$0.04 - \$0.07	\$0.07	\$0.10

15. Share Capital

a) Authorized:

The Company is authorized to issue an unlimited number of common shares without par value.

b) Issued share capital:

As at March 31, 2026, there were 198,566,907 common shares issued and outstanding (September 30, 2025 – 184,757,145).

Shares issued during the six months ended March 31, 2026:

- i. On January 16, 2026 the Company issued 862,500 common shares due to conversion of the convertible notes (Note 12 (r)) by one of the investors. The principal amount of \$69,000 was converted into 862,500 units of the Company. Each unit comprised one common share of the Company and one common share purchase warrant. Each warrant is exercisable into one common share in the capital of the Company at an exercise price of \$0.10 until January 17, 2027. The common shares were valued at \$86,250 based on their fair market value, and \$18,995 was allocated to the warrants using residual method.

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15. Share Capital (continued)

- ii. On February 4, 2026 the Company issued 500,000 common shares due to warrants exercise at the exercise price \$0.1. The common shares were valued at \$50,000 based on their fair market value.
 - iii. On February 5, 2026 the Company issued 460,000 common shares due to conversion of the convertible notes (Note 12 (o)) by one of the investors. The principal amount of \$46,000 was converted into 460,000 units of the Company. Each unit comprised one common share of the Company and one common share purchase warrant. Each warrant is exercisable into one common share in the capital of the Company at an exercise price of \$0.10 until November 4, 2026. The common shares were valued at \$46,000 based on their fair market value, and \$18,740 was allocated to the warrants using residual method.
 - iv. On February 5, 2026 the Company issued 3,125,000 common shares due to conversion of the convertible notes (Note 12 (s)) by a director of the Company, in his capacity of investor. The principal amount of \$250,000 was converted into 3,125,000 units of the Company. Each unit comprised one common share of the Company and one common share purchase warrant. Each warrant is exercisable into one common share in the capital of the Company at an exercise price of \$0.10 until May 27, 2028. The common shares were valued at \$312,500 based on their fair market value, and \$85,486 was allocated to the warrants using residual method.
 - v. On February 27, 2026 the Company issued 10,721,720 common shares as part of consideration for Insentra acquisition (Note 5). These shares were subject to a four-month hold period under applicable securities laws, along with a contractual resale restriction (the contractual hold period). The fair value of the shares was assessed as \$871,140, based on fair market value at the closing date and discount for lack of marketability due to hold provisions.
 - vi. On March 9, 2026 the Company issued 1,312,500 common shares due to conversion of the convertible notes (Note 12 (s)) by several investors. The principal amount of \$105,000 was converted into 1,312,500 units of the Company. Each unit comprised one common share of the Company and one common share purchase warrant. Each warrant is exercisable into one common share in the capital of the Company at an exercise price of \$0.10 until May 27, 2028. The common shares were valued at \$91,875 based on their fair market value, and \$75,279 was allocated to the warrants using residual method.
 - vii. On March 4, 2026 the Company cancelled 3,171,958 shares, as part of purchase consideration for TNET disposal.
- c) Shares issued during the year ended September 30, 2025:
- viii. On May 27, 2025 the Company completed a non-brokered private placement of 3,130,000 units at a price of \$0.07 per unit for aggregate proceeds of \$219,100. Each unit comprised one common share of the Company and one common share purchase warrant. Each warrant is exercisable into one common share in the capital of the Company at an exercise price of \$0.10 until May 27, 2028. No value was assigned to these warrants based on the residual value approach. In connection with the offering, the Company paid certain arm's-length finders a cash commission in the aggregate amount of \$8,330 and issued an aggregate of 119,000 non-transferable finder's warrants of the Company exercisable at any time until August 22, 2026, with each finder's warrant entitling the holder thereof to purchase one common share, at an exercise price equal to \$0.10, subject to adjustment in certain events.

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15. Share Capital (continued)

- ix. On June 25, 2025 the Company completed a non-brokered private placement of 14,687,856 units at a price of \$0.07 per unit for aggregate proceeds of \$1,028,150. Each unit comprised one common share of the Company and one common share purchase warrant. Each whole warrant is exercisable into one common share in the capital of the Company at an exercise price of \$0.10 until June 25, 2028. \$367,196 of the total offering proceeds was assigned to these warrants based on the residual value approach. In connection with the offering, the Company paid certain arm's-length finders a cash commission in the aggregate amount of \$49,687 and issued an aggregate of 709,821 non-transferable finders' warrants of the Company exercisable at any time until August 22, 2026, with each finder's warrant entitling the holder thereof to purchase one common share, at an exercise price equal to \$0.10, subject to adjustment in certain events.
- x. On July 28, 2025, the Company settled outstanding debt in the aggregate amount of approximately \$138,270 owing to arm's-length creditors of the Company, by issuing 1,976,843 common shares in the capital of the Company at a deemed price of \$0.075 per share. A loss on debt settlement of \$9,994 has been recorded for this transaction.

Shares issued during the year ended September 30, 2024:

- xi. On May 17, 2024, the Company entered into a debt settlement agreement with its former auditor to settle the Company's outstanding debt for past services in the amount of \$235,593 by issuing 2,982,190 common shares in the capital of the Company at a deemed price of \$0.079 per share. A gain on debt settlement of \$56,662 has been recorded for this transaction.
- xii. On May 8, 2024, the Company settled outstanding debt in the aggregate amount of approximately \$345,500 owing to certain directors and arm's-length creditors of the Company, by issuing 4,935,710 common shares in the capital of the Company at a deemed price of \$0.07 per share. A gain on debt settlement of \$98,714 has been recorded for this transaction.
- xiii. On August 22, 2024 the Company completed a non-brokered private placement of 11,139,303 units at a price of \$0.07 per unit for aggregate proceeds of \$779,751. Each unit comprised one common share of the Company and one-half of one common share purchase warrant. Each whole warrant is exercisable into one common share in the capital of the Company at an exercise price of \$0.105 until August 22, 2026. No value was assigned to these warrants based on the residual value approach. In connection with the offering, the Company paid certain arm's-length finders a cash commission in the aggregate amount of \$23,171 and issued an aggregate of 331,000 non-transferable finder's warrants of the Company exercisable at any time until August 22, 2026, with each finder's warrant entitling the holder thereof to purchase one common share, at an exercise price equal to \$0.105, subject to adjustment in certain events.
- xiv. On August 22, 2024 the Company completed its acquisition of 100% of the issued and outstanding securities of Claratti. In connection with the acquisition, the Company issued to the vendors 40,000,000 common shares in the capital of the Company.
- xv. 200,000 shares were issued pursuant to the exercise of 200,000 warrants for gross proceeds of \$28,000.
- xvi. 1,100,000 shares were issued pursuant to the exercise of 1,100,000 stock options for gross proceeds of \$120,000.

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15. Share Capital (continued)

d) Escrow Shares:

Pursuant to the acquisition of TNSI, 22,607,707 common shares were subject to escrow conditions:

2,260,771 common shares were released upon closing the RTO and the remainder of 20,346,936 were to be released in six equal instalments every six months thereafter.

As at September 30, 2024, the remainder of 6,782,332 were subject to escrow conditions, and they were released during the year ended September 30, 2025.

Pursuant to acquisition of Insentra (Note 5), 10,721,720 common shares are subject to escrow conditions:

1. 25 % of the issuable consideration shares will be released from contractual hold on June 27, 2026;
2. 25% of the issuable consideration shares will be released from contractual hold on August 27, 2026;
3. 25% of the issuable consideration shares will be released from contractual hold on February 27, 2027;
4. 25% of the issuable consideration shares will be released from contractual hold on August 27, 2027.

16. Share Purchase Warrants

On March 28, 2024, the Company entered into loan agreements with lenders to borrow a total of \$300,000. The loans bear interest at 14% per annum. The maturity date of the loans is September 28, 2024. One of the lenders is a director of the company, and the other lenders are each arm's-length parties to the company (Note 12 (z)). On March 28, 2024, in connection with the loan agreements, the company has issued an aggregate of three million share purchase warrants to the lenders. Each loan bonus warrant entitles the holder to purchase one common share of the company at an exercise price of 10 cents for a period of 12 months from the issue date. The warrants will be subject to an acceleration clause allowing for the acceleration of the warrants should the shares trade at or above 20 cents for any 10 consecutive trading days. A fair value of \$76,735 was assigned to these warrants, calculated using a share price of \$0.07, exercise price of \$0.10, remaining life of 1.00 years, volatility of 132.46%, dividend rate of 0% and a risk-free rate of 4.17%.

On August 22, 2024 the Company issued 5,569,652 share purchase warrants as a part of a non-brokered private placement (Note 15). Each whole warrant is exercisable into one common share in the capital of the company at an exercise price of \$0.105 per share until August 22, 2026. No value was assigned to these warrants based on the residual value approach. In connection with the concurrent private placement, the Company issued an aggregate of 331,000 non-transferable finder's warrants of the Company exercisable at any time prior to August 22, 2026, with each such finder's warrant entitling the holder thereof to purchase one common share, at an exercise price equal to \$0.105 per share, subject to adjustment in certain events.

From November 4, 2024 to June 25, 2025, the Company closed six tranches of its previously announced non-brokered private placement of unsecured convertible notes for total proceeds of \$3,373,000 (Note 12 (u) to (z)). The notes issued in connection with the six tranches closing will mature from May 4, 2026 to June 25, 2028, and are convertible into units, each consisting of one common share in the capital of the company and one share purchase warrant at a conversion price of \$0.08 of principal per note for the first 12 months, and \$0.10 for the remaining term. In connection with these unsecured convertible notes, the Company issued 629,125 finders' warrant. Finders' warrants issued for the tranches November 4, 2024 to January 17, 2025, are exercisable at any time during 24 months from the issue date, and issued for the tranches May 27, 2025 and June 25, 2025, are exercisable at any time during 36 months after the issue date. Each finder's warrant entitling the holder thereof to purchase one common share, at an exercise price equal to \$0.10 per share, subject to adjustment in certain events.

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16. Share Purchase Warrants (continued)

On May 27, 2025 the Company completed a non-brokered private placement of 3,130,000 units at a price of seven cents per unit for aggregate proceeds of \$219,100. Each unit comprised one common share of the Company and one common share purchase warrant. Each whole warrant is exercisable into one common share in the capital of the company at an exercise price of \$0.10 per share until May 27, 2028. No value was assigned to these warrants based on the residual value approach. In connection with the units offering, the Company paid certain arm's-length finders a cash commission in the aggregate amount of \$8,330 and issued an aggregate of 119,000 non-transferable finder's warrants of the Company exercisable at any time until May 27, 2028, with each finder's warrant entitling the holder thereof to purchase one common share, at an exercise price equal to \$0.10 per share, subject to adjustment in certain events.

On June 25, 2025 the Company completed a non-brokered private placement of 14,687,857 units at a price of seven cents per unit for aggregate proceeds of \$1,028,150. Each unit comprised one common share of the Company and one common share purchase warrant. Each whole warrant is exercisable into one common share in the capital of the company at an exercise price of \$0.10 per share until June 25, 2028. \$367,196 of total offering proceeds was assigned to these warrants based on the residual value approach. In connection with the units offering, the Company paid certain arm's-length finders a cash commission in the aggregate amount of \$49,687 and issued an aggregate of 709,821 non-transferable finder's warrants of the Company exercisable at any time until June 25, 2028, with each finder's warrant entitling the holder thereof to purchase one common share, at an exercise price equal to \$0.10 per share, subject to adjustment in certain events.

The finder's warrants issued in the year ended September 30, 2025, were fair valued at \$51,803 calculated using a share price of \$0.07, exercise price of \$0.04 to \$0.07, remaining life of 2 to 3 years, volatility of 144.54% to 150.39, dividend rate of 0% and a risk-free rate of 2.66% to 3.10%.

On December 12, 2025 the Company issued 9,500,000 share purchase bonus warrants, as further consideration for providing the loans (Note 12 (v) to (y)). Each warrant entitles the holder to purchase one common share of the Company at an exercise price of \$0.10 until December 9, 2027. The warrants are subject to acceleration should the shares trade at or \$0.30 per share for any 10 consecutive trading days. No value was allocated to the warrants, based on the residual method.

On January 16, 2026 the Company issued 862,500 share purchase warrants due to conversion of the convertible notes (Note 12 (r)) by one of the investors. The principal amount of \$69,000 was converted into 862,500 units of the Company. Each unit comprised one common share of the Company and one common share purchase warrant. Each warrant is exercisable into one common share in the capital of the Company at an exercise price of \$0.10 until January 17, 2027. The common shares were valued at \$86,250 based on their fair market value, and \$18,995 was allocated to the warrants using residual method.

On January 19, 2026 the Company issued 14,600,000 share purchase warrants, as part of non-brokered private placement of units (Note 12 (z)). Each unit consisted of one secured, non-convertible debenture with a principal amount of \$1,000 and 4,000 non-transferable share purchase warrants. Each warrant entitles the holder to purchase one common share at an exercise price of \$0.10 during 36 months after closing, subject to acceleration provisions.

On January 19, 2026 the Company issued 1,200,000 non-transferable finder's share purchase warrants to arm's length finders, exercisable at \$0.10 per common share during 36 months after closing. The warrants were issued in connection with the non-brokered private placement of units (Note 12 (z)).

On February 2, 2026 the Company issued 4,000,000 share purchase warrants, as part of non-brokered private placement of units (Note 12 (z)). Each unit consisted of one secured, non-convertible debenture with a principal amount of \$1,000 and 4,000 non-transferable share purchase warrants. Each warrant entitles the holder to purchase one common share at an exercise price of \$0.10 during 36 months after closing, subject to acceleration provisions.

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16. Share Purchase Warrants (continued)

On February 5, 2026 the Company issued 460,000 share purchase warrants due to conversion of the convertible notes (Note 12 (o)) by one of the investors. The principal amount of \$46,000 was converted into 460,000 units of the Company. Each unit comprised one common share of the Company and one common share purchase warrant. Each warrant is exercisable into one common share in the capital of the Company at an exercise price of \$0.10 until November 4, 2026. The common shares were valued at \$46,000 based on their fair market value, and \$18,740 was allocated to the warrants using residual method.

On February 5, 2026 the Company issued 3,125,000 share purchase warrants due to conversion of the convertible notes (Note 12 (s)) by a director of the Company, in his capacity of investor. The principal amount of \$250,000 was converted into 3,125,000 units of the Company. Each unit comprised one common share of the Company and one common share purchase warrant. Each warrant is exercisable into one common share in the capital of the Company at an exercise price of \$0.10 until May 27, 2028. The common shares were valued at \$312,500 based on their fair market value, and \$85,486 was allocated to the warrants using residual method.

On February 27, 2026 the Company issued 1,188,000 share purchase warrants as part of consideration for Insentra acquisition (Note 5). Each warrant is exercisable into one common share at an exercise price of \$0.20 per share for a period of three years from issuance, vesting in equal 1/12 monthly increments over the 12 months following issuance. The fair value of the warrants was estimated by management upon acquisition to be \$77,564, using the Black Scholes Option Pricing Model with the following key inputs: market share price on the transaction date of \$0.1, risk free rate of 2.57% and volatility of 129.86%.

On March 9, 2026 the Company issued 1,312,500 share purchase warrants due to conversion of the convertible notes (Note 12 (s)) by several investors. The principal amount of \$105,000 was converted into 1,312,500 units of the Company. Each unit comprised one common share of the Company and one common share purchase warrant. Each warrant is exercisable into one common share in the capital of the Company at an exercise price of \$0.10 until May 27, 2028. The common shares were valued at \$91,875 based on their fair market value, and \$75,279 was allocated to the warrants using residual method.

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16. Share Purchase Warrants (continued)

The following table summarizes the continuity of share purchase warrants:

	Number of Warrants	Weighted Average Exercise Price \$
Outstanding, September 30, 2024	49,901,914	0.14
Issued:		
November 4, 2024: convertible notes - finders' fees	354,375	0.10
November 27, 2024: convertible notes - finders' fees	35,000	0.10
January 17, 2025: convertible notes - finders' fees	60,375	0.10
May 27, 2025: private placement	3,130,000	0.10
May 27, 2025: private placement – finders' fees	119,000	0.10
May 27, 2025: convertible notes - finders' fees	91,875	0.10
June 25, 2025: private placement	14,687,857	0.10
June 25, 2025: private placement – finders' fees	709,821	0.10
June 25, 2025: convertible notes - finders' fees	87,500	0.10
Cancelled:		
March 28, 2024: promissory note	(3,000,000)	0.11
Outstanding and exercisable, September 30, 2025	66,177,717	0.13
Issued:		
December 12, 2025: bonus warrants	9,500,000	0.10
January 16, 2026: convertible notes conversion	862,500	0.10
January 19, 2026: private placement – bonus warrants	14,600,000	0.10
January 19, 2026: private placement – finders' fees	1,200,000	0.10
February 2, 2026: private placement – bonus warrants	4,000,000	0.10
February 5, 2026: convertible notes conversion	3,585,000	0.10
February 27, 2026: consideration warrants (Insentra)	1,188,000	0.10
March 9, 2026: convertible notes conversion	1,312,500	0.10
Exercised:		
February 4, 2026: warrants issued on May 27, 2025	(500,000)	0.10
Outstanding and exercisable, March 31, 2026	101,925,717	0.12

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16. Share Purchase Warrants (continued)

The following table summarizes information about warrants outstanding and exercisable at March 31, 2026:

Warrants Outstanding	Exercise Price \$	Expiry Date
864,062	0.16	June 27, 2026
31,613,900	0.14	August 1, 2026
5,023,300	0.14	August 22, 2026
5,900,652	0.105	August 22, 2026
354,375	0.10	**November 4, 2026
35,000	0.10	**November 27, 2026
60,375	0.10	**January 17, 2027
2,840,875	0.10	**May 27, 2028
15,485,178	0.10	**June 25, 2028
3,500,000	0.25	*September 14, 2028
9,500,000	0.10	**December 09, 2027
862,500	0.10	**January 26, 2028
14,600,000	0.10	**January 19, 2029
1,200,000	0.10	**January 19, 2029
4,000,000	0.10	**February 2, 2029
460,000	0.10	**February 5, 2028
4,437,500	0.10	**May 27, 2028
1,188,000	0.10	February 27, 2029
101,925,717		

*The warrants are subject to an acceleration clause allowing for the acceleration of the warrants should the shares trade at or above \$0.20 for any 10 consecutive trading days.

**The warrants are subject to an acceleration clause allowing for the acceleration of the warrants should the shares trade at or above \$0.30 for any 10 consecutive trading days.

17. Stock Options

Options to purchase common shares may be granted to directors, consultants, officers and employees of the Company and its subsidiary for terms up to 10 years at a price at least equal to the market price prevailing on the date of the grant.

On October 24, 2023, the Company granted 3,100,000 stock options to directors, officers and employees. The options have an exercise price of \$0.10 per share and an expiry date of October 24, 2028. 600,000 stock options vested immediately, and 2,500,000 stock options and vested monthly over a period of 12 months. A value of \$167,083 was assigned to these options, calculated using a share price of \$0.07, remaining life of five years, volatility of 111.17%, dividend rate of 0% and a risk-free rate of 4.16 to 4.52%.

On March 5, 2024, the Company granted 3,800,000 million options to certain consultants at an exercise price of \$0.07 per share. The options are exercisable until March 5, 2029 and vested immediately on grant. A value of \$173,635 was assigned to these options, calculated using a share price of \$0.06, remaining life of five years, volatility of 104.99%, dividend rate of 0% and a risk-free rate of 3.43%.

On May 17, 2024, the Company granted an aggregate of 2,000,000 stock options to an officer of the Company, at an exercise price of \$0.11 per common share. The options vested upon issued and are exercisable until May 17, 2029. A value of \$86,536 was assigned to these options, calculated using a share price of \$0.06, remaining life of five years, volatility of 107.86%, dividend rate of 0% and a risk-free rate of 3.69%.

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17. Stock Options (continued)

On June 19, 2024, the Company entered into an agreement with I Made It Inc. to provide business consulting and public relations services to the Company. On June 24, 2024, pursuant to the agreement, the Company issued 1,000,000 common share purchase options with an exercise price of \$0.10 per share, exercisable until June 19, 2029. The options vested in tranches over a period of 12 months. A value of \$52,264 was assigned to these options, calculated using a share price of \$0.085, remaining life of five years, volatility of 107.13%, dividend rate of 0% and a risk-free rate of 3.31%.

During the year ended September 30, 2024, 1,100,000 shares were issued pursuant to the exercise of 1,100,000 stock options for gross proceeds of \$120,000.

The continuity of stock options for the six months ended March 31, 2026 is as follows:

	Number of Options	Weighted Average Exercise Price
		\$
Outstanding, September 30, 2023	8,375,440	0.30
Granted	9,900,000	0.10
Exercised	(1,100,000)	0.11
Forfeited	(600,000)	0.28
Outstanding, September 30, 2024	16,575,440	0.19
Exercisable, September 30, 2024	15,573,621	0.18
Outstanding, September 30, 2025	16,575,440	0.19
Exercisable, September 30, 2025	16,575,440	0.19
Forfeited	3,946,325	0.19
Outstanding, March 31, 2026	12,629,115	0.19
Exercisable, March 31, 2026	12,629,115	0.19

The following table summarizes information about stock options outstanding as at March 31, 2026:

	Expiry Date	Number of Options Outstanding	Number of Options Exercisable	Weighted Average Remaining Contracted Life (Years)
0.10	August 4, 2026	1,467,391	1,467,391	0.35
0.15	August 4, 2026	300,000	300,000	0.35
0.48	November 26, 2026	1,207,724	1,207,724	0.66
0.56	June 16, 2027	204,000	204,000	1.21
0.28	July 26, 2027	550,000	550,000	1.32
0.15	April 13, 2028	500,000	500,000	2.04
0.10	October 16, 2028	2,600,000	2,600,000	2.57
0.07	March 5, 2029	3,800,000	3,800,000	2.93
0.11	May 17, 2029	1,000,000	1,000,000	3.13
0.10	June 24, 2029	1,000,000	1,000,000	3.22
		12,629,115	12,629,115	2.18

Share-based compensation expense is determined using the Black-Scholes option pricing model. For the six months ended March 31, 2026, the Company recognized share-based compensation expense of \$Nil in relation to the options granted (2025 - \$23,655).

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18. Restricted Share Units

On August 20, 2025 the Company granted an aggregate of 7,000,000 restricted share units (“RSUs”) to certain key management personnel pursuant to its RSU plan. The RSUs vest over one- and three-year periods in accordance with the terms of the RSU plan.

Each unit represents an entitlement to one common share of the Company. The fair value of the RSUs granted was \$490,000.

On February 5, 2026 the Company granted 1,100,000 restricted share units (“RSUs”) to a director pursuant to its RSU plan. 50% of the RSUs vest on a grant date, and 50% - one- year after the grant. The fair value of the RSUs granted was \$110,000

The Company recognized \$189,419 of share-based compensation for the six months ended March 31, 2026 (2025 - \$Nil).

19. Loss per Share

The following table reconciles the net loss and the number of shares for the basic and diluted loss per share:

For the period	Three months Ended March 31, 2026	Three months Ended March 31, 2025	Six months Ended March 31, 2026	Six months Ended March 31, 2025
Loss for the period:				
Loss from continuing operations	(2,633,357)	(414,163)	(5,631,808)	(2,355,876)
Profit/(loss) from discontinued operations	10,441	(30,379)	44,316	41,492
Total loss for the period	(2,622,916)	(444,542)	(5,587,492)	(2,314,384)
Weighted average number of common shares outstanding	191,078,686	164,962,446	187,865,527	164,962,446
Basic and diluted loss per share: Continuing operations	(0.01)	(0.00)	(0.03)	(0.01)
Basic profit / (basic and diluted loss) per share: Discontinued operations	0.00	(0.00)	0.00	0.00
Diluted profit per share: Discontinued operations	0.00	-	0.00	0.00
Total basic and diluted loss per share	(0.01)	(0.00)	(0.03)	(0.01)

As at March 31, 2026, the Company had 122,654,832 potentially dilutive shares which were anti-dilutive.

As at March 31, 2025 the Company had 76,350,855 potentially dilutive shares which were anti-dilutive.

	March 31, 2026	March 31, 2025
Share purchase warrants (Note 16)	101,925,717	59,775,415
Stock options (Note 17)	12,629,115	16,575,440
Restricted share units (Note 18)	8,100,000	-
Total	122,654,832	76,350,855

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20. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of equity comprised of issued share capital, share-based payment reserve, common stock subscribed, loans, and deficit.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its board of directors, will balance its overall capital structure through new equity issuances or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company's overall strategy with respect to capital risk management remains unchanged from the year ended September 30, 2025.

21. Commitments and Contingencies

The Company is contractually committed to a payroll agreement with the Chief Executive Officer. The Company had no significant commitments or contractual obligations with any parties respecting consulting arrangements. Management services provided are on a month-to-month basis. Refer to Note 10 for minimum lease payments.

22. Financial Instruments and Risk Management

The Company is exposed in varying degrees to a variety of financial instrument and related risks. Those risks and management's approach to mitigating those risks are as follows:

(a) Fair Values

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

Financial assets and liabilities measured at fair value on a recurring basis are presented on the Company's consolidated statement of financial position as of March 31, 2026 as follows:

Financial Assets	Balance as at March 31, 2026 \$	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant	Significant
			Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Cash	616,589	616,589	-	-
Total	616,589	616,589	-	-

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22. Financial Instruments and Risk Management (continued)

Financial Liabilities	Balance as at March 31, 2026 \$	Quoted Prices	Significant	Significant
		in Active Markets for Identical Assets (Level 1) \$	Other Observable Inputs (Level 2) \$	Unobservable Inputs (Level 3) \$
Conversion option liabilities (Note 14)*	1,679,547	-	-	1,679,547
Total	1,679,547	-	-	1,679,547

*The change in fair value of the Company's conversion option liabilities (classified as Level 3) is disclosed in Note 14. The liabilities are remeasured at period-end using the Black-Scholes option-pricing model.

There were no transfers between the levels during the period.

The carrying value of the Company's financial assets and liabilities, except for conversion option liabilities (classified as FVTPL), are classified as amortized cost as at March 31, 2026. The fair values of financial instruments, which include cash, amounts receivable, accounts payable and accrued liabilities, due to related parties, promissory notes and loans payable, and lease liabilities approximate their carrying values due to the relatively short-term maturity of these instruments.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures.

(b) 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. The Company's exposure to credit risk is in its cash and receivables. Cash is held with major banks in Canada and the United States, which are high credit quality financial institutions as determined by rating agencies. The carrying amount of financial assets represents the maximum credit exposure.

Amounts Receivable

Amounts receivable consists of trade receivable of \$1,725,211 (September 30, 2025 - \$336,075). To reduce the credit risk of amounts receivable, the Company regularly reviews the collectability of the amounts receivable to ensure there is no indication that these amounts will not be fully recoverable. As at March 31, 2026, the Company recognized a provision for bad debts of \$Nil (September 30, 2025 - \$Nil) in accordance with IFRS 9, *Financial Instruments*.

For the six months ended March 31, 2026, the Company recognized bad debts of \$418 (2025 - \$Nil).

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22. Financial Instruments and Risk Management (continued)

(c) Currency Risk

The functional currency of the parent, TNSI and Insentra TTGI Canada is the Canadian dollar. The functional currency of Claratti and Insentra TTGI Australia is the Australian dollar. The functional currency of Insentra TTGI United Kingdom is Pounds sterling, and the functional currency of Insentra TTGI United States is United States dollar. Currency risk is the risk that the fair value of the Company's financial instruments will fluctuate because of changes in foreign currency exchange rates. The Company's head office and operating expenses are mainly denominated in Canadian dollars. Some of the Company's revenue is denominated in US and Australian dollars, and Pound sterling. If the US dollar or Australian dollar or Pound sterling depreciates compared to the Canadian dollar revenue would decrease in Canadian dollars. The Company is exposed to foreign currency risk to the extent that the following monetary assets and liabilities are denominated in US and Australian dollars and Pound sterling:

	March 31, 2026	September 30, 2025
Balance in US dollars:	\$	\$
Cash	55,235	80,579
Trade receivables	1,524,210	90,870
Accounts payable and accrued liabilities	(738,091)	(23,659)
Net exposure	841,354	147,790
Balance in Canadian dollars:	1,169,348	207,228

A 10% change in the US dollar to the Canadian dollar exchange rate would impact the Company's net loss by approximately \$116,935 for the six months ended March 31, 2026 (2025 – \$18,037).

	March 31, 2026	September 30, 2025
Balance in Australian dollars:	\$	\$
Cash	411,246	90,646
Trade receivables	2,540,304	151,840
Accounts payable and accrued liabilities	(7,549,760)	(3,548,644)
Loans payable	(3,151,221)	(3,184,515)
Net exposure	(7,749,431)	(6,490,673)
Balance in Canadian dollars:	(7,112,938)	(5,939,489)

A 10% change in the Australian dollar to the Canadian dollar exchange rate would impact the Company's net loss by approximately \$711,294 Canadian dollars for the six months ended March 31, 2026 (2025 - \$306,591).

	March 31, 2026	September 30, 2025
Balance in Pounds sterling:	\$	\$
Trade receivables	158,675	-
Accounts payable and accrued liabilities	(379,248)	-
Net exposure	(220,573)	-
Balance in Canadian dollars:	(405,832)	-

A 10% change in the Pounds sterling to the Canadian dollar exchange rate would impact the Company's net loss by approximately \$40,583 Canadian dollars for the six months ended March 31, 2026 (2025 - \$Nil).

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22. Financial Instruments and Risk Management (continued)

(d) Interest Rate Risk

The Company's exposure to interest rate risk relates to the Company's debt with floating interest rates, its ability to earn interest income on cash balances at variable rates and its short-term term deposits at prescribed market rates. The fair value of the Company's cash is not significantly affected by changes in short-term interest rates. The income earned from the bank accounts and short-term term deposits is subject to movements in interest rates.

(e) Liquidity and Funding Risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available capital in order to meet its liquidity requirements. Management maintains sufficient cash to satisfy short-term liabilities in highly liquid investments.

Funding risk is the risk that market conditions will impact the Company's ability to raise capital through equity markets under acceptable terms and conditions.

A summary of the Company's obligations is as follows:

	Carrying amount	Contractual cash flows	1 year or less	1-5 years
As at March 31, 2026	\$	\$	\$	\$
Accounts payable and accrued liabilities	6,552,605	6,552,605	6,552,605	-
Due to related parties (Note 13)	653,882	653,882	653,882	-
Loans payable (Note 12)	19,934,684	23,305,460	8,090,070	15,215,390
Lease payments (Note 10)	163,176	194,519	66,893	127,626
	27,304,347	30,706,466	15,363,450	15,343,016
As at September 30, 2025	\$	\$	\$	\$
Accounts payable and accrued liabilities	4,572,153	4,572,153	4,572,153	-
Due to related parties (Note 13)	792,702	792,702	792,702	-
Loans payable (Note 12)	8,065,566	11,029,961	5,558,375	5,471,586
Lease payments (Note 10)	278,649	316,826	207,335	109,491
	13,709,070	16,711,642	11,130,565	5,581,077

As at March 31, 2026, the Company had cash of \$616,589 (September 30, 2025 - \$369,551) to settle current liabilities of \$14,287,192 (September 30, 2025 - \$11,101,752) and fund ongoing operations. As noted in Note 1, there are factors which indicate the existence of a material uncertainty that may raise significant doubt about the Company's ability to continue as a going concern.

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23. Expenses by Nature

Expenses for the six months ended March 31, 2026 were comprised as follows:

	General and administrative \$	Research and development \$	Sales and marketing \$
Personnel	1,333,185	802,819	1,053,278
Consulting	161,897	54,720	209,821
Office expense	1,111,558	171,117	44,834
Professional fees	1,258,690	-	-
Tradeshaw and travel	42,243	3,219	10,779
Marketing and communications	53,181	50,243	341,779
Total	3,960,754	1,082,118	1,660,491

Expenses for the six months ended March 31, 2025 were comprised as follows:

	General and administrative \$	Research and development \$	Sales and marketing \$
Personnel	1,267,916	580,764	291,788
Consulting	57,841	-	316,207
Office expense	146,595	13,405	40,058
Professional fees	552,633	-	-
Tradeshaw and travel	52,062	450	42,517
Marketing and communications	133,487	3,910	97,290
Total	2,210,534	598,529	787,860

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24. Interest and Accretion Expense

Interest expenses incurred for the six months ended March 31, 2026 and 2025 are as follows:

	2026	2025
	\$	\$
Interest		
Convertible note (Note 12(b))	16,545	16,522
Convertible notes (Note 12(o) to (t))	242,665	53,608
Loan payable (Note 12(c))	11,596	13,809
Claratti loans (Note 12(d) to (m))	321,399	364,478
Promissory notes (Note 12(u) to (y), (aa), (cc))	124,952	42,935
Individual loan (Note 12(bb))	2,574	11,683
CEBA loan (Note 12 (a))	8,121	2,625
Non-convertible debentures (Note 12 (z))	138,586	-
Take-back note (Note 12 (dd))	13,699	-
Accretion		
Accretion of lease obligations (Note 10)	15,941	28,453
Accretion of convertible note (Note 12(b))	9,013	7,484
Accretion of Claratti loans (Note 12(d) to (m))	-	88,036
Accretion of convertible notes (Note 12(o) to (t))	179,237	73,837
Accretion of promissory notes (Note 12 (v))	-	30,000
Finance costs		
Non-convertible debentures (Note 12 (z))	263,560	-
Broker warrants (Note 17)	85,116	-
Convertible notes (Note 12 (o) to (t))	-	37,480
Claratti loans (Note 12 (d) to (m))	183,159	-
	1,616,163	770,950

25. Supplemental Cash Flow Information

	March 31, 2026	March 31, 2025
For the six months ended	\$	\$
Share-based compensation relating to granting of RSUs	189,419	-
Share-based compensation relating to granting of options	-	32,839
Interest paid	390,352	501,127

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25. Supplemental Cash Flow Information (continued)

Reconciliation of changes in liabilities to cash flows arising from financing activities, including changes arising from both cash and non-cash changes as at March 31, 2026:

	Loans payable	Due to related parties	Lease liabilities	Total
	\$	\$	\$	\$
Balance as at September 30, 2025	8,065,566	792,702	278,649	9,136,917
Loan proceeds	4,984,775	-	-	4,984,775
Repayments to related parties	-	(138,820)	-	(138,820)
Repayment of principal and interest	(1,298,776)	-	(101,426)	(1,400,202)
Reclass to accounts payable/prepaid expenses	(159,478)	-	-	(159,478)
Total changes from financing cash flows	3,526,521	(138,820)	(101,426)	3,286,275
Other changes				
Interest and accretion	1,267,486	-	-	1,267,486
Foreign currency translation	129,988	-	434	130,422
Consideration for acquisition of subsidiary	7,186,327	-	-	7,186,327
Conversion of convertible debentures	(241,204)	-	-	(241,204)
Interest on lease liabilities	-	-	18,433	18,433
Lease liabilities additions and disposals	-	-	(32,914)	(32,914)
Total other changes	8,342,597	-	(14,047)	8,328,550
Balance as at March 31, 2026	19,934,684	653,882	163,176	20,751,742
Less: current portion	5,470,097	653,882	100,367	6,224,346
Long-term portion	14,464,587	-	62,809	14,527,396

Reconciliation of changes in liabilities to cash flows arising from financing activities, including changes arising from both cash and non-cash changes as at March 31, 2025:

	Loans payable	Due to related parties	Lease liabilities	Total
	\$	\$	\$	\$
Balance as at September 30, 2024	5,310,805	843,826	445,566	6,600,197
Loan proceeds	2,851,745	49,422	-	2,901,167
Derivative	(529,287)	-	-	(529,287)
Subscriptions received	(41,997)	-	-	(41,997)
Repayment of principal and interest	(1,074,305)	-	(111,869)	(1,186,174)
Total changes from financing cash flows	1,206,156	49,422	(111,869)	1,143,709
Other changes				
Interest and accretion	743,094	-	-	743,094
Foreign currency translation	(136,508)	-	(418)	(136,926)
Interest on lease liabilities	-	-	29,324	29,324
Total other changes	606,586	-	28,906	635,492
Balance as at March 31, 2025	7,123,547	893,248	362,603	8,379,398
Less: current portion	5,450,832	893,248	176,167	6,520,247
Long-term portion	2,614,734	-	166,196	2,780,930

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26. Segmented Information

Operating segments are components of an entity that engage in business activities from which they earn revenues and incur expenses (including revenues and expenses related to transactions with the other component(s)), the operations of which can be clearly distinguished and for which the operating results are regularly reviewed by a chief operating decision-maker to make resource allocation decisions and to assess performance.

The Company's operations consist of three operating and reportable segments, being Turnium Network Solutions Inc., Claratti PTY Ltd. and Insentra entities. Tenacious Networks Inc. is classified as Discontinued Operations (Note 26).

Six months ended March 31, 2026	TNSI.	Claratti	Insentra	Corporate	Total
	\$	\$	\$	\$	\$
Revenue	1,753,904	1,476,137	4,721,852	-	7,951,893
Direct costs	(275,777)	(839,636)	(3,618,933)	-	(4,734,346)
Gross profit	1,478,127	636,501	1,102,919	-	3,217,547
Operating expenses	1,762,171	1,917,479	2,027,757	1,611,305	7,318,712
Loss before other income	(284,044)	(1,280,978)	(924,838)	(1,611,305)	(4,101,165)
Other income (loss)	(15,596)	(498,925)	(22)	(1,016,100)	(1,530,643)
Loss before income taxes	(299,640)	(1,779,903)	(924,860)	(2,627,405)	(5,631,808)
Income tax expense	-	-	-	-	-
Net loss the period – continuing operations	(299,640)	(1,779,903)	(924,860)	(2,627,405)	(5,631,808)
Net profit for the period – discontinued operations	-	-	-	44,316	44,316
Other comprehensive loss for the period	-	-	-	(164,087)	(164,087)
Comprehensive loss for the period	(299,640)	(1,779,903)	(924,860)	(2,747,176)	(5,751,579)
Total assets, March 31, 2026	512,183	4,015,074	12,307,970	115,590	16,950,817
Total liabilities, March 31, 2026	734,795	6,328,151	3,636,493	20,045,766	30,745,205

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26. Segmented Information (continued)

Six months ended March 31, 2025	TNSI	Claratti	Corporate	Total
	\$	\$	\$	\$
Revenue	1,625,815	1,567,357	108	3,193,280
Direct costs	(212,247)	(604,015)	-	(816,262)
Gross profit	1,413,568	963,342	108	2,377,018
Operating expenses	1,661,802	1,866,213	447,528	3,975,543
Loss before other income	(248,234)	(902,871)	(447,420)	(1,598,525)
Other income (loss)	26,620	(493,903)	(290,068)	(757,351)
Loss before income taxes	(221,614)	(1,396,774)	(737,488)	(2,355,876)
Income tax expense	-	-	-	-
Net loss the period – continuing operations	(221,614)	(1,396,774)	(737,488)	(2,355,876)
Net profit for the period – discontinued operations	-	-	41,492	41,492
Other comprehensive income for the period	-	-	108,788	108,788
Comprehensive loss for the period	(221,614)	(1,396,774)	(587,208)	(2,205,596)
Total assets, March 31, 2025	2,216,075	8,749,603	330,487	11,296,165
Total liabilities, March 31, 2025	1,991,569	7,103,504	4,575,666	13,670,739

The Company's non-current assets are geographically located in Canada (TNSI and Corporate), United States of America (Insentra TTGI United States), United Kingdom (Insentra TTGI United Kingdom) and Australia (Claratti and Insentra TTGI Australia).

The composition of revenue by nature is as follows:

	Six months ended March 31, 2026				Six months ended March 31, 2025		
	TNSI	Claratti	Insentra	Total	TNSI	Claratti	Total
	\$	\$	\$	\$	\$	\$	\$
Licensing	1,398,000	-	-	1,398,000	1,264,703	-	1,264,703
Host Cloud/Support	270,567	1,474,767	3,890,598	5,635,932	293,474	1,559,465	1,852,939
Hardware/ Software resale	58,137	1,370	831,254	890,761	42,122	7,892	50,014
Initiation fees	27,200	-	-	27,200	25,516	-	25,516
Total	1,753,904	1,476,137	4,721,852	7,951,893	1,625,815	1,567,357	3,193,172

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26. Segmented Information (continued)

Revenue is attributed to geographic regions based on the location of the Group's customers. The Group discloses revenue for the following regions: Canada, USA, Europe, Australia and other. Other includes revenues from regions that are not individually material.

	Six months ended March 31, 2026				Six months ended March 31, 2025		
	TNSI	Claratti	Insentra	Total	TNSI	Claratti	Total
	\$	\$	\$	\$	\$	\$	\$
Canada	471,770	-	-	471,770	517,776	-	517,776
USA	661,710	-	2,026,136	2,687,846	535,461	-	535,461
Europe	293,982	-	677,333	971,315	252,367	-	252,367
Australia	272,568	1,458,433	2,018,383	3,749,384	268,338	1,551,405	1,819,743
Other	53,874	17,704	-	71,578	51,873	15,952	67,825
Total	1,753,904	1,476,137	4,721,852	7,951,893	1,625,815	1,567,357	3,193,172

27. Assets Held for Sale and Discontinued Operations

As at September 30, 2025 TNET met the criteria for classification as a discontinued operation under IFRS 5 *Non-Current Assets Held for Sale and Discontinued Operations*. The assets and liabilities of TNET have been presented as assets held for sale and liabilities related to assets held for sale in the consolidated statement of financial position as at September 30, 2025.

The results of discontinued operations are presented separately from the result of continuing operations in the consolidated statement of loss and comprehensive loss for the six months ended March 31, 2026 and 2025.

The disposal of TNET was completed during the six months ended March 31, 2026. Upon completion, the Company derecognised all assets and liabilities previously classified as held for sale. The transaction resulted in a net loss on disposal of \$33,240, recognised in the statement of loss and comprehensive loss, representing the excess of the carrying amount of net assets over the consideration received, net of directly attributable costs.

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27. Assets Held for Sale and Discontinued Operations (continued)*Results for Discontinued Operations:*

	Six months Ended March 31, 2026	Six months Ended March 31, 2025
	\$	\$
Revenue	1,008,126	970,081
Cost of goods sold	(688,187)	(723,084)
Gross profit	319,939	246,997
Expenses		
Amortization	20,367	-
General and administrative	171,136	214,054
Total operating expenses	191,503	214,054
Profit before other income	128,436	32,943
Other income (loss)		
Interest expense	-	(1,468)
Net income before income taxes	128,436	31,475
Income tax recovery (expense)	(84,120)	10,017
Net profit for the period	44,316	41,492

The consolidated statement of cash flows shows the following cash provided by the discontinued operations:

	Six months Ended March 31, 2026	Six months Ended March 31, 2025
	\$	\$
Cash generated from (used in) operating activities	149,724	(32,047)

There was no cash generated by investing and financing activities from the discontinued operations.

The cash balance of the disposal group included in the assets held for sale as at September 30, 2025 comprised \$73,295.

The major classes of assets and liabilities classified as held for sale as at September 30, 2025, included in the assets held for sale and liabilities related to assets held for sale in the consolidated statement of financial position, are as follows:

	September 30, 2025
	\$
Cash	73,295
Amounts receivable	751,795
Goodwill	175,905
Intangible assets	148,620
Account payable and accrued liabilities	(361,575)
Deferred revenue	(17,040)
Total	771,000

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28. Subsequent Events

On March 31, 2026, the Company announced its intention to complete a non-brokered private placement of up to 85,714,285 units at a subscription price of \$0.07 per unit, for aggregate gross proceeds of up to \$6.0 million. Each unit will consist of one common share and one-half of one common share purchase warrant. Each whole warrant will entitle the holder to acquire one additional common share at an exercise price of \$0.10 per share for a period of three years from the date of issuance. The completion of the offering is subject to approval by the TSX Venture Exchange. The securities to be issued will be subject to a statutory hold period of four months and one day from the date of issuance. The offering may be completed in multiple tranches, with anticipated completion on or around April 30, 2026. The Company intends to use the net proceeds from the offering to repay approximately \$2.5 million of existing debt facilities and to fund approximately \$3.5 million of working capital requirements associated with growth initiatives, including strategic partnerships, sales and marketing activities, and the expansion of its service offerings. In connection with the offering, the Company may pay finders' fees of up to 7% in cash and 7% in finders' warrants, in accordance with applicable exchange policies.

On April 22, 2026, the Company completed a shares-for-debt settlement, pursuant to which the Company issued 5,163,750 common shares at a deemed price of \$0.10 per share in full and final settlement of outstanding indebtedness totaling \$516,375. The transaction was undertaken to preserve cash resources and strengthen the Company's balance sheet. Of the total amount settled, \$464,375 related to indebtedness owing to insiders and former insiders of the Company, resulting in the issuance of 4,643,750 common shares to related parties. The transaction constituted a related party transaction under applicable securities regulations and received disinterested shareholder approval on March 13, 2026, as well as approval from the TSX Venture Exchange on April 21, 2026. The common shares issued are subject to a statutory hold period of four months and one day from the date of issuance in accordance with applicable securities laws.

On May 1, 2026, the Company granted an aggregate of 16,057,588 stock options to employees and consultants of the Company, at an exercise price of \$0.10 per common share. The options vested upon issued and are exercisable until May 1, 2029.