

TenX Protocols Inc.
(formerly locaste Ventures Inc.)

**Unaudited Condensed Interim Consolidated
Financial Statements**

For the three and nine months ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

Change in Fiscal Year-End (and reverse takeover)

On December 5, 2025, TenX Protocols Inc. completed a qualifying transaction that constituted a reverse takeover. As a result, its fiscal year end was changed to March 31 from September 30. These condensed interim consolidated financial statements are for the three and nine months ended December 31, 2025, with comparative periods ended December 31, 2024.

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, Subsection 4.3(3)(a), if an auditor has not performed a review of interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of TenX Protocols Inc. (the “Company”) have been prepared by and are the responsibility of the Company’s management. The Company’s independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity’s auditor.

TenX Protocols Inc. (formerly, locaste Ventures Inc.)
Unaudited Condensed Consolidated Interim Statements of Financial Position
As at December 31, 2025
(in Canadian Dollars)

<i>As at</i>	Note	December 31, 2025	March 31, 2025
Assets			
Current assets			
Cash		\$ 5,596,761	\$ 2,187,430
Prepaid expenses		246,695	54,000
		5,843,456	2,241,430
Non-current assets			
Digital assets - in custody	5	11,353,564	182,761
Digital assets - staked	5	5,057,374	756,116
Intangible assets		270,766	-
		16,681,704	938,877
Total Assets		\$ 22,525,160	\$ 3,180,307
Liabilities and Shareholders' Equity			
Current liabilities			
Accounts payable and accrued liabilities		\$ 325,316	\$ 85,126
Total Liabilities		325,316	85,126
Shareholders' Equity			
Share capital	6	25,676,953	3,426,427
Contributed surplus	6	70,627	-
Warrants	6	6,612,460	-
Accumulated deficit		(10,160,196)	(331,246)
		22,199,844	3,095,181
Total Shareholders' Equity		22,199,844	3,095,181
Total Liabilities and Shareholders' Equity		\$ 22,525,160	\$ 3,180,307

Incorporation and Nature of Business (Note 1)
Basis of Presentation and Material Accounting Policies (Note 2 & 3)

Approved and authorized for issuance by the Board of Directors on February 26, 2026.

Approved by the Board: **Mateusz Cybula**
Director (**Signed**)

 Michael Ashby
Director (**Signed**)

The accompanying notes are an integral part of the unaudited condensed consolidated interim financial statements.

TenX Protocols Inc. (formerly, locaste Ventures Inc.)
Unaudited Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
For the Three and Nine Months Ended December 31, 2025
(in Canadian Dollars, except share amounts)

	Note	Three months ended December 31, 2025	Nine months ended December 31, 2025
Revenue			
Staking revenue	5	\$ 26,630	\$ 68,919
Expenses			
Advertising and marketing		110,678	143,815
Depreciation and amortization		45,634	90,834
General and administrative		116,484	202,509
Management and salaries	8	196,416	340,106
Professional fees		432,432	974,613
Regulatory		74,630	74,630
Listing fees	4	924,898	936,198
Total expenses		1,901,172	2,762,705
Loss before other items		(1,874,542)	(2,693,786)
Other items			
Gain on disposition of digital assets	5	-	1,428
Loss on revaluation of digital assets	5	(7,328,994)	(7,159,122)
Foreign exchange loss		(3,353)	(17,482)
Net loss		(9,206,889)	(9,868,962)
Other comprehensive income			
Item that will not be reclassified in profit or loss			
Loss on revaluation of digital assets	5	(1,343,795)	-
Net comprehensive loss		(10,550,684)	(9,868,962)
Net loss per share			
Basic and diluted		\$ (0.15)	\$ (0.16)
Weighted average number of shares outstanding			
Basic and diluted		62,638,731	62,638,731

The accompanying notes are an integral part of the unaudited condensed consolidated interim financial statements.

TenX Protocols Inc. (formerly, locaste Ventures Inc.)
Unaudited Condensed Consolidated Interim Statements of Cash Flows
For the Nine Months Ended December 31, 2025
(in Canadian Dollars)

<i>For the nine months ended</i>	Note	December 31, 2025
Cash provided by (used in):		
Operating activities:		
Net loss		\$ (9,868,962)
Change in non-cash operating items:		
Staking revenue	5	(68,919)
Depreciation and amortization		90,834
Listing fees	4	936,198
Gain on disposition of digital assets	5	(1,428)
Loss on revaluation of digital assets	5	7,159,121
		(1,753,156)
Changes in working capital		
Prepaid expenses		(192,695)
Accounts payable and accrued liabilities		39,581
Net cash used in operating activities		(1,906,270)
Investing activities		
Purchase of digital assets	5	(448,577)
Sale of digital assets	5	3,630
Purchase of intangible assets		(201,600)
Net cash used in investing activities		(646,547)
Financing activities		
Share issuance for cash, net of fees	6	5,962,148
Net cash provided by financing activities		5,962,148
Increase in cash		3,409,331
Cash, beginning of period		2,187,430
Cash, end of period		\$ 5,596,761

Significant non-cash transactions include:

- Issuance of 31,416,955 shares for digital assets totaling \$22,117,316.

The accompanying notes are an integral part of the unaudited condensed consolidated interim financial statements.

TenX Protocols Inc. (formerly, locaste Ventures Inc.)
Unaudited Condensed Consolidated Interim Statements of Changes in Equity
For the Nine Months Ended December 31, 2025
(in Canadian Dollars)

	Number of shares	Share capital	Contributed surplus	Warrants	Accumulated deficit	Total
Balance, March 31, 2025	20,860,000	\$ 3,426,427	\$ -	\$ -	\$ (331,246)	\$ 3,095,181
Net loss and comprehensive loss		-	-	-	(9,868,962)	(9,868,962)
	20,860,000	\$ 3,426,427	\$ -	\$ -	\$ (10,200,208)	\$ (6,773,781)
Other equity movements						
Shares issued for reverse take-over	1,494,037	1,120,525	-	-	-	1,120,525
Private placements	39,904,695	21,081,221	70,627	6,612,460	40,012	27,804,320
Share issuance cost - shares	166,666	125,000	-	-	-	125,000
Share issuance cost - cash	-	(236,220)	-	-	-	(236,220)
Shares issued to acquire intangible assets	213,333	160,000	-	-	-	160,000
Balance, December 31, 2025	62,638,731	\$ 25,676,953	\$ 70,627	\$ 6,612,460	\$ (10,160,196)	\$ 22,199,844

The accompanying notes are an integral part of the unaudited condensed consolidated interim financial statements.

TenX Protocols Inc. (formerly, Iocaste Ventures Inc.)
Notes to the Financial Statements
For the Three and Nine Months Ended December 31, 2025 and 2024
(in Canadian Dollars)

1. INCORPORATION AND NATURE OF BUSINESS

TenX Protocols Inc. (formerly, Iocaste Ventures Inc.) (the "Company") was incorporated under the *Business Corporations Act* (British Columbia) on July 6, 2021. The registered address and records address of the Company are 1200 Waterfront Centre, 200 Burrard Street, Vancouver, British Columbia, V6C 3L6.

The Company provides investors access to a basket of holdings within the blockchain and cryptocurrency space. By investing in these cryptocurrencies and deploying, or staking, these assets as a delegator, the Company earns staking rewards from incentive distribution for securing the blockchain, as well as transaction fees.

On March 19, 2025, the Company and TenX Protocols Inc, a private Ontario corporation ("TenX"), entered into a non-binding Letter of Intent, setting out the principal, non-binding terms upon which the parties would explore the viability of completing a business combination or other similarly structured transaction, which, if completed, would result in a reverse take-over of the Company by the shareholders of TenX and constitute an arm's length Qualifying Transaction for the Company.

On August 18, 2025, the Company and TenX entered into a business combination agreement, pursuant to which the parties planned to complete a transaction that would result in a reverse takeover of the Company by the shareholders of TenX.

On December 5, 2025, the Company completed its previously announced "Qualifying Transaction" (as defined by TSX Venture Exchange ("TSXV") Policy 2.4) involving a three-cornered amalgamation whereby TenX was amalgamated with a wholly-owned subsidiary of the Company (the "Qualifying Transaction").

Immediately prior to the closing of the Qualifying Transaction, the Company (i) consolidated its issued and outstanding common shares on a 7.5 to 1 basis; and (ii) changed its name from "Iocaste Ventures Inc." to "TenX Protocols Inc."

In connection with the completion of the Qualifying Transaction, the Company also completed the conversion and exchange of subscription receipts issued in connection with TenX's previously announced brokered private placement and concurrent non-brokered private placement and issued 39,904,695 common shares and 19,952,346 common share purchase warrants for aggregate gross proceeds of approximately \$29.9 million (consisting of approximately \$6.36 million in cash and approximately \$23.56 million in digital assets).

On December 10, 2025, the Company's Common Shares began trading on the TSX Venture Exchange under the ticker symbol "TNX".

2. STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION

a) Statement of Compliance

These unaudited interim condensed consolidated financial statements (“interim financial statements”) have been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting. Certain information and note disclosures normally included in the audited consolidated financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), have been omitted or condensed. These interim financial statements should be read in conjunction with the Company’s September 30, 2025 audited consolidated financial statements.

These interim financial statements were approved and authorized for issue by the Board of Directors on February 26, 2026.

b) Basis of Presentation

These financial statements have been prepared on a historical cost basis, except for items that IFRS requires to be carried at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. All amounts are presented in Canadian Dollars (“CAD”), which is also the Company’s functional currency, unless otherwise stated.

The financial statements were prepared on a going concern basis. The going concern basis assumes that the Company will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Company operates in a nascent industry for which long-term viability remains to be demonstrated. The ability of the Company to achieve profitable operations in this industry over the long term is uncertain and depends on the stability of digital assets price and staking yields.

The Company has incurred operating losses and negative cash flow from operations since its incorporation. Whether and when the Company can attain profitability and positive cash flows is uncertain. However, the Company has sufficient cash to operate within at least the next 12 months.

No comparative period is presented in these interim financial statements as TenX was formed on November 13, 2024 and therefore does not have any other historical quarterly information.

c) Application of IFRS and use of estimates

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

d) Consolidation

These interim financial statements include the financial statements of the Company and its wholly-owned subsidiary, TenX Labs Inc. All intercompany transactions and balances are eliminated upon consolidation.

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e) Uses of estimates and judgements

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenue and expenses. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years. Although these estimates are based on management's best knowledge of the current events and actions that the Company may undertake in the future, actual results may differ from these estimates.

Significant judgements

Critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include the following:

- i. Functional currency - The functional currency of the Company has been assessed by management as CAD based on consideration of the currency and economic factors that primarily influence the Company's digital assets, revenues and operating costs, financing, and related transactions. Specifically, the Company considers the currencies in which digital assets are most commonly denominated and expenses are settled by each entity as well as the currency in which each entity receives or raises financing. Changes to these factors may have an impact on the judgment applied in the determination of the Company's functional currency.
- ii. Digital assets - Digital assets are considered to be identifiable non-monetary assets without physical substance, are controlled by the holder and give rise to future economic benefits for the holder. The Company considered the IFRIC Agenda Decision (June 2019) on Holdings of Cryptocurrencies, which concluded that cryptocurrencies should be accounted for under IAS 38, except when they are within the scope of another standard (for example, crypto-assets that meet the definition of a financial asset under IAS 32 or crypto-assets held for sale in the ordinary course of business under IAS 2). The Company has assessed that it does not hold digital assets for sale and thus treats them as intangible assets in accordance with IAS 38.
- iii. Income taxes - Management exercises judgment to determine the extent to which deferred tax assets are recoverable in the future and have, therefore, not recognized any deferred tax assets in the statements of financial position.
- iv. Reverse takeover – Management applied judgement in concluding that the legal parent did not constitute a business and that the Qualifying Transaction is within the scope of IFRS 2. Management also applied judgement in determining the fair value of the deemed equity instruments issued and the fair value of the identifiable net assets acquired at the acquisition date.

Use of estimates

- i. Digital assets - Cryptocurrency denominated assets are carried at their fair market value determined by the spot rate based on the hourly volume weighted average from www.coinmarketcap.com, an independent cryptocurrency data aggregator. The digital currency market is still new and highly volatile; historical prices are not necessarily indicative of future value; a significant change in the market prices for digital assets would have a significant impact on the Company's earnings and financial position. Digital currency prices are affected by various forces including global supply and demand, interest rates, exchange rates, inflation or deflation and the global political and economic conditions. A decline in the market prices for digital assets could negatively impact the Company's future operations. The Company has not hedged the conversion of any of its cryptocurrency denominated digital assets.

3. MATERIAL ACCOUNTING POLICIES

a) Cash

Cash comprises of cash on hand, held at major financial institutions, in addition to cash held in trust, if any.

b) Financial instruments

Classification and Measurement

Financial assets and financial liabilities are initially measured at fair value, adjusted for transaction costs where applicable, and are subsequently accounted for based on their classification as described below. The classification depends on both the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset. Except in very limited circumstances, the classification is not changed subsequent to initial recognition.

Financial Assets

All financial assets are initially recorded at fair value and classified upon inception into one of the following categories: amortized cost, fair value through profit or loss, or fair value through other comprehensive income.

In the period presented, the Company does not have any financial assets categorized in fair value through profit or loss, or fair value through other comprehensive income.

Amortized cost

Financial assets are measured at amortized cost if both the following criteria are met and the financial assets are not designated as at FVTPL: 1) the object of the Company's business model for these financial assets is to collect their contractual cash flows; and 2) the asset's contractual cash flows represent "solely payments of principal and interest". The Company's financial assets measured at amortized cost comprise cash and accounts receivable. Due to their short-term nature, the carrying values of cash and accounts receivable approximate their fair value.

IFRS 9's impairment requirements use forward-looking information to recognize expected credit-losses – the expected credit loss (ECL) model. The Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Financial Liabilities

Financial liabilities are accounted for at amortized cost using the effective interest rate method or at fair value through profit and loss. Accounts payable and accrued liabilities are classified as financial liabilities at amortized cost. Transaction costs are included in the underlying balance.

Derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

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c) Reverse takeover/listing service

Reverse takeover transactions where the legal parent is not a business are accounted for as a share-based payment under IFRS 2. The listing service expense is measured as the excess of the fair value of the deemed equity instruments issued over the fair value of the identifiable net assets acquired and is recognized in profit or loss.

d) Revenue

The Company earns staking revenue by delegating digital assets (referred to as a “Delegator”) to be utilized by third parties (“Validators”), who employ Proof-of-Stake (“PoS”) technology to provide blockchain verification services to selected blockchain networks in order to earn staking rewards. The gross staking yields are based on a predetermined formula, specific to each blockchain network, and the timing of the services. As a Delegator, the Company is considered to be an agent in the transaction (with the Validator being the principal) and recognizes staking rewards it receives net of fees charged by the Validator. Revenue is recognized when services have been performed and collection is probable, which is typically when staking rewards are received into the Company’s custody. Staking rewards are measured based on the fair value of the digital currency received, determined using the daily closing price obtained from www.coinmarketcap.com on the date it is earned.

e) Digital assets

Digital assets meet the definition of intangible assets in IAS 38 Intangible Assets as they are identifiable, non-monetary, and indefinite life assets without physical substance. Digital assets are recorded at cost when acquired for cash, and at fair value when acquired by issuing equity, or on the date when earned as revenue.

The revaluation method is used to measure the digital assets subsequently. Under the revaluation method, increases in fair value are recorded in other comprehensive income, while decreases are recorded in profit or loss. The Company revalues its digital assets at the end of each reporting period. There is no recycling of gains on disposition of digital assets from other comprehensive income to profit or loss. However, to the extent that an increase in fair value reverses a previous decrease in fair value that has been recorded in profit or loss, that increase is recorded in profit or loss. Decreases in fair value that reverse fair value gains previously recorded in other comprehensive income are recorded in profit or loss.

To measure digital assets at fair value and under the revaluation method, the Company refers to the quoted price on www.coinmarketcap.com, an independent cryptocurrency data aggregator. Management believes any price different between the principal market and an aggregated price to be immaterial. Management considers this fair value to be a Level 2 input under IFRS 13 Fair Value Measurement fair value hierarchy as the price on this source represents an average of quoted prices on multiple digital currency exchanges. These assets are valued based on the closing price obtained from www.coinmarketcap.com at the reporting period corresponding to the different assets held by the Company.

All digital assets are classified as non-current. The Company’s determination to classify its cryptocurrency holdings as non-current assets is based on management’s assessment that it is not planning to sell them within the next 12-month period. Management intends to hold these assets as a strategic reserve to support long-term operations, which is consistent with the judgement under IAS 38 rather than IAS 2 for inventory.

There is currently no specific definitive guidance in IFRS for the accounting for the purchase, sale or exchange of digital assets and management has exercised significant judgement in determining appropriate accounting treatment for the recognition and measurement of digital assets. In the event authoritative guidance is enacted by the IASB, the Company may be required to change its policies which could result in a change in the Company’s financial position and earnings.

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f) Intangible assets

Intangible assets with finite lives are amortized over their useful lives and reviewed for indicators of impairment at reporting dates. Intangible assets with indefinite lives are not amortized and are tested for impairment at its annual financial reporting period end date.

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognized. Goodwill is carried at cost less accumulated impairment losses.

Impairment testing

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment, and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of a related business combination and represent the lowest level within the Company at which management monitors goodwill.

Cash-generating units to which goodwill and intangible asset that has an indefinite useful life or is not yet available for use has been allocated (determined by the Company's management as equivalent to its operating segments) are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's (or cash-generating unit's) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. In measuring value in use, the expected future cash flows are discounted using a pre-tax discount rate that reflects the risks specific to the asset. The recoverable amount of an asset that does not generate independent cash flows is determined for the CGU to which the asset belongs. Impairment losses are recognized in profit or loss. An impairment loss of an asset, other than goodwill, is reversed only if there have been changes in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. Reversal of an impairment loss, as above, shall not be increased above the lower of the carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognized for the asset in prior years and its recoverable amount. The reversal of impairment loss of an asset presented at cost is recognized in profit or loss.

g) Income taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized in other comprehensive income or directly in shareholders' equity. Current income tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to income tax payable in respect of previous years.

Deferred tax is recognized as temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit or loss. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. They are offset only when they arise in the same legal entity and jurisdiction.

h) Share Capital

Common shares are classified as equity. Common shares issued for cash are measured at cost, and common shares issued for digital assets are measured as the fair value of the digital assets on the date they are received. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

TenX Protocols Inc. (formerly, locaste Ventures Inc.)
Notes to the Financial Statements
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(in Canadian Dollars)

i) Loss per Share

Basic earnings (loss) per share is computed by dividing the net income or loss attributable to the Company shareholders, after adjusting for non-controlling interests, by the weighted average number of common shares outstanding for the relevant year. Diluted earnings per share is computed by dividing the net income attributable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted. There is no diluted earnings per share reported for any period in which the Company incurred a net loss, as any such impact would be anti-dilutive.

j) Foreign currency translation

The functional currency of the Company is the Canadian dollar (CAD). When translating to functional currency, foreign currency monetary assets and liabilities are translated into the functional currency at the rate of exchange prevailing at the end of the period. Non-monetary assets and liabilities are translated at the rate of exchange prevailing when the assets were acquired, or the liabilities incurred. Income, and expense items are translated using the average rate of exchange during the financial statement periods, except for one-time specific transactions that can be measured at their transaction date.

k) Standards that are not yet effective and have not been adopted early by the Company

There were no new accounting standards or amendments to standards that were applicable to the Company for the period ended December 31, 2025 that had a material impact on its financial statements.

The following new standards, amendments to standards and interpretations have been issued but are not effective during the period ended December 31, 2025:

On April 9, 2024, the IASB issued a new standard – IFRS 18, “Presentation and Disclosure in Financial Statements” with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity’s financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will apply for reporting periods beginning on or after January 1, 2027 and also applies to comparative information. Adoption of IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its ‘operating profit or loss’. The Company is still evaluating the anticipated impact of adoption on its financial statements.

In May 2024, the IASB issued amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments – Disclosures. The amendments clarify the derecognition of financial liabilities and introduces an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system. The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features and the treatment of non-recourse assets and contractually linked instruments (CLIs). Further, the amendments mandate additional disclosures in IFRS 7 for financial instruments with contingent features and equity instruments classified at FVOCI. The amendments are effective for annual periods starting on or after January 1, 2026. Retrospective application is required and early adoption is permitted.

TenX Protocols Inc. (formerly, Iocaste Ventures Inc.)
Notes to the Financial Statements
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(in Canadian Dollars)

4. REVERSE TAKEOVER

On December 5, 2025, the Company completed its Qualifying Transaction involving a three-cornered amalgamation whereby TenX was amalgamated with a wholly-owned subsidiary of the Company. This resulted in a reverse takeover of the Company by the shareholders of TenX. In connection with the Qualifying Transaction, the Company changed its name from “Iocaste Ventures Inc” to “TenX Protocols Inc.” and consolidated its existing common shares on a 7.5 to 1 basis. All existing Iocaste stock options were also converted to TenX stock options at the same 7.5 to 1 ratio. At the time of the Transaction, Iocaste Ventures Inc. (“Iocaste”) did not constitute a business as defined under IFRS 3; therefore, the Qualifying Transaction was accounted for under IFRS 2, where the difference between the consideration given to acquire Iocaste and the net asset value of Iocaste was recorded in the consolidated statement of loss as a listing fee expense. As TenX was deemed to be the acquirer for accounting purposes, these interim financial statements present the historical financial information of TenX up to the date of the Transaction.

The fair value of the consideration is as follows:

Issuance of 1,494,034 common shares to the former shareholders of Iocaste	\$ 1,120,525
Issuance of 122,632 replacement options to the former optionholders of Iocaste	70,627
	\$ 1,191,152

The allocation of the consideration is as follows:

Cash	\$ 267,026
Accounts payable and accrued liabilities	(12,072)
Listing costs expensed	936,198
Value attributed to shares and options issued	\$ 1,191,152

5. DIGITAL ASSETS

Details of the Company’s holdings of digital assets consisted of:

Digital asset	December 31, 2025		March 31, 2025	
	Holdings	Fair Value	Holdings	Fair Value
Solana ⁽ⁱ⁾	19,737	\$ 3,367,340	4,058	\$ 727,368
Sui ⁽ⁱ⁾	129,598	249,139	64,044	208,978
USDC	7,246,091	9,927,145	1,761	2,531
Sei ⁽ⁱ⁾⁽ⁱⁱ⁾	21,767,768	2,867,314	nil	-
		\$ 16,410,938		\$ 938,877
Digital assets - in custody		\$ 11,353,564		\$ 182,761
Digital assets - staked		5,057,374		756,116
		\$ 16,410,938		\$ 938,877

- (i) As at December 31, 2025, the Company staked 19,722 Solana, 129,261 Sui, and 9,499,990 Sei.
- (ii) A portion of the Sei digital asset holdings are subject to a lock-up period, which stipulates that an equal number of Sei tokens would be released to the Company on a monthly basis over a 24-month period following the transaction date. As at December 31, 2025, 9,303,453 SEI tokens are still subject to the lock-up period, with a fair value of \$1,016,753.

TenX Protocols Inc. (formerly, locaste Ventures Inc.)
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(in Canadian Dollars)

5. DIGITAL ASSETS (continued)

Digital asset activities have consisted of:

Balance, November 13, 2024	\$	-
Digital assets acquired through issuance of shares		784,627
Digital assets acquired through cash or other digital assets		734,178
Digital assets sold for cash or other digital assets		(399,604)
Digital assets earned from staking		838
Loss on disposal of digital assets		(10,128)
Loss on revaluation of digital assets		(170,755)
Fees paid in digital assets		(279)
Balance, March 31, 2025	\$	938,877
Digital assets acquired through cash		448,577
Digital assets acquired through share issuance ⁽ⁱ⁾		22,117,316
Digital assets sold		(2,201)
Digital assets earned from staking ⁽ⁱⁱ⁾		68,919
Loss on revaluation of digital assets ⁽ⁱⁱⁱ⁾		(7,159,122)
Fees paid in digital assets		(1,428)
Balance, December 31, 2025	\$	16,410,938

- (i) Fair value of digital assets received in exchange for issuance of 31,416,955 subscription receipts.
- (ii) For the nine months ended December 31, 2025, the Company earned \$68,919 in staking revenue.
- (iii) Digital assets held are revalued at each reporting period based on the fair market value on the reporting date. As at December 31, 2025, based on the price of digital assets and the prevailing foreign exchange rate, the total revaluation is a loss of \$7,159,122, all of which was recorded in profit and loss.

6. SHARE CAPITAL

a) Authorized Share Capital

Authorized share capital consists of an unlimited number of voting common shares without par. All issued shares are fully paid. No dividends have been paid or declared by the Company since inception.

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6. SHARE CAPITAL (continued)

b) Common shares

	Number of shares	Share Capital
Balance, November 13, 2024	-	\$ -
Issuance of founders' shares	14,000,000	69,906
Issuance of shares on private placement	6,860,000	3,452,421
Share issuance costs	-	(95,900)
Balance, March 31, 2025	20,860,000	\$ 3,426,427
Shares issued for reverse take-over ⁽ⁱ⁾	1,494,037	1,120,525
Private placements ⁽ⁱⁱ⁾	39,904,695	21,081,221
Share issuance cost - shares ⁽ⁱⁱⁱ⁾	166,666	125,000
Share issuance cost - cash ⁽ⁱⁱⁱ⁾	-	(236,220)
Shares issued to acquire intangible assets ^(iv)	213,333	160,000
Balance, December 31, 2025	62,638,731	\$ 25,676,953

- (i) Issuances of 1,494,037 common shares for reverse take-over as part of the Qualifying Transaction. (See Note 1)
- (ii) On August 18, 2025, TenX closed private placement offerings of subscription receipts for aggregate gross proceeds of \$28.2 million, comprising: (i) a brokered offering of 8,487,740 subscription receipts at \$0.75 for gross cash proceeds of \$6,365,805; and (ii) a non-brokered offering of 31,416,955 subscription receipts with a fair value of \$22,117,316, which was based on the fair value of the digital assets received (SOL, SEI, and USDC). Upon the completion of the Qualifying Transaction, each subscription receipt was converted into one common share and one-half warrant of the Company (each whole warrant exercisable at C\$1.15 for 24 months).
- (iii) Legal and brokers fees incurred and associated with the above financings.
- (iv) On July 8, 2025, TenX entered into an Asset Purchase Agreement with Blade Labs Corp. ("Blade Labs") to acquire proprietary validator-monitoring software in exchange for a cash payment of \$160,000 and issuance of 213,333 common shares at a deemed price of \$0.75 per share, based on the brokered private offering.

7. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities as at December 31, 2025 are as follows:

	Asset/(Liabilities) at amortized cost	Total
December 31, 2025		
Cash	\$ 5,596,761	\$ 5,596,761
Accounts payable and accrued liabilities	(338,007)	(338,007)
March 31, 2025		
Cash	\$ 2,187,430	\$ 2,187,430
Accounts payable and accrued liabilities	(85,126)	(85,126)

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7. FINANCIAL INSTRUMENTS (continued)

The Company's financial instruments are exposed to the following financial risks:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation. Financial instruments which are potentially subject to credit risk for the Company consist of cash.

The carrying amount of financial assets represents the maximum credit exposure. The Company has credit exposure at December 31, 2025 relating to cash of \$5,596,761. All cash amount is held at a Canadian chartered bank.

Currency risk

The Company generates all revenue in Canadian dollars, and expenses are incurred in both U.S. and Canadian dollars, exposing the Company to fluctuations in earnings from volatility in foreign currency rates. The fluctuation in foreign currencies in relation to the United States dollar will consequently impact the profitability of the Company and may also affect the value of the Company's assets and liabilities and the amount of equity. Management however concludes the exposure to currency risk is not material and the Company does not utilize any financial instruments or cash management policies to mitigate such currency risks. As at December 31, 2025, the Company held \$139,087 (March 31, 2025 - \$300,000) denominated in U.S dollars. A 10% change in the foreign exchange rate would not result in a material impact on the Company's operations.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company is exposed to this risk mainly with respect to ensuring the sufficiency of funds for working capital and commitments. The Company monitors the maturity dates of existing accounts payable and accrued liabilities, loans payable, and commitments to mitigate this risk. The Company manages company-wide cash projections centrally and regularly updates projections for changes in business and fluctuations caused by digital currency prices and exchange rates. The Company's financial liabilities are comprised of accounts payable and accrued liabilities. As at December 31, 2025, accounts payable and accrued liabilities of \$325,316 (March 31, 2025 - \$85,126) are expected to mature within one year.

Fair Value Risk

Due to their short-term nature, the carrying value of cash, accounts payable and accrued liabilities, approximate their fair value.

Digital assets controlled by the Company are subject to price volatility risks, which may fluctuate up or down significantly over the reporting period. As at December 31, 2025, the Company had total digital assets in custody and being staked of \$16,410,938 (March 31, 2025 - \$938,877). A 10% change in prices of digital assets would result in additional gain or loss in revaluation of approximately \$1,641,000.

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8. RELATED PARTY TRANSACTIONS

Key management personnel are those persons that have authority and responsibility for planning, directing and controlling the activities of the Company, directly and indirectly. As of December 31, 2025, the Company’s key management personnel consists of its directors and senior management. The aggregate value of transactions relating to key management personnel and entities over which they have control or significant influence were:

<i>For the three months ended</i>	December 31, 2025	December 31, 2024
Management fees and salaries	\$ 196,416	\$ -
Share-based compensation	-	-
	\$ 196,416	\$ -

<i>For the nine months ended</i>	December 31, 2025	December 31, 2024
Management fees and salaries	\$ 340,106	\$ -
Share-based compensation	-	-
	\$ 340,106	\$ -

9. FAIR VALUE MEASUREMENT

Non-financial assets and financial assets measured at fair value in the consolidated statement of financial position are grouped into three levels of a fair value hierarchy. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy are as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly;

Level 3: Inputs that are not based on observable market data.

December 31, 2025	Level 1	Level 2	Level 3	Total
Digital assets – in custody		11,353,564		11,353,564
Digital assets – staked		4,040,621	1,016,753	5,057,374

Management considers the fair value of those digital assets that are not subject to a lock-up period to be Level 2 under IFRS 13 fair value hierarchy since it uses inputs from CoinMarketCap, a pricing aggregator website.

For the SEI digital assets that are subject to a lock-up period (see Note 5), the fair value of these digital assets is measured using significant unobservable inputs and is therefore classified as Level 3 in the fair value hierarchy. The fair value of these assets was adjusted for a discount for lack of marketability (“DLOM”) to reflect the lock-up restrictions. The DLOM was calculated using a combination of the Chaffe Model and the Finnerty Model, both of which are option-pricing models that consider the risk-free rate, historical volatility of the assets, and expected restriction period. Based on the lock-up periods, the applied DLOM ranged from 7% to 35%, with a weighted-average DLOM of approximately 28.1%. As of December 31, 2025, these SEI digital assets had a fair value of \$1,016,753. A 2% change in the weight-average DLOM would result in an additional fair value gain or loss of \$29,700.

The carrying values of the Company’s cash, accounts payable and accrued liabilities approximate their fair values because of the short-term nature of these instruments.

10. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders' equity as capital. The Company manages the capital structure and makes adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets. The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to acquire more digital assets and fund the operation of the Company. To secure the additional capital necessary to pursue these plans, the Company intends to raise additional funds through the equity or debt financing. The Company is not subject to any external capital requirements imposed by a regulator and there were no changes to the Company's approach to capital management during the period ended December 31, 2025.