

EdgeTI Announces Closing of Three-Cornered Merger with BlockX

2024-09-25

Arlington, Virginia--(Newsfile Corp. - September 25, 2024) - Edge Total Intelligence Inc. (TSXV: CTRL) (OTCQB: UNFYF) (FSE: Q5i) (the "Company", "edgeTI") is pleased to announce that, further to its news release dated August 2, 2024, the transaction pursuant to the merger agreement dated August 2, 2024 (the "Merger Agreement"), between the Company, Block X Capital Corp. ("BlockX") and 1494029 B.C. Ltd. ("AcquisitionCo"), a wholly owned subsidiary of the Company, has completed.

Pursuant to the Merger Agreement, the Company acquired all of the issued and outstanding shares in the capital of BlockX (the "Transaction"), being 4,250,000 common shares, in exchange for an equivalent number of subordinate voting shares of the Company (each, a "SVS") by way of a three-cornered amalgamation under the Business Corporations Act (British Columbia) (the "Amalgamation"), being 4,250,000 SVSs. The Company now holds all of the issued and outstanding shares in the capital of the corporation that resulted from the Amalgamation, being EdgeAI Technologies Inc. Each SVS issued as part of the Amalgamation to Victory Square Technologies Inc. ("VST"), the sole shareholder of BlockX, was issued at a deemed price per share of \$0.40 for aggregate consideration of \$1,700,000. The Company and VST share a common Chief Financial Officer, being Ms. Sheri Rempel; however, the consideration paid was determined through arm's length negotiation between the Company and BlockX. Ms. Rempel was not involved in any negotiations between the Company and Block X in relation to the consideration paid. The Company determined that \$1,700,000 is a fair offer for BlockX based on the comparative development costs if undertaken by the Company independently, which would potentially cost the Company more than \$3,000,000 when performed over a three-year period. The calculated price is reduced based on increased maturity risk as a result of little sustaining engineering since its acquisition by VST and no offsetting revenues.

The Transaction is not a related party transaction as defined in Multilateral Instrument 61-101 - Protection of

Minority Security Holders in Special Transactions, as such, is not subject to TSX Venture Exchange Policy 5.9 - Protection of Minority Security Holders in Special Transactions.

A fee of \$85,000 was also paid in connection with the Transaction to a finder of the Company, being Perihelion Holdings Ltd. (the "Finder"), which was paid through the issuance of 197,674 SVSs at the deemed issuance price of the Market Price (as defined in the policies of the TSX Venture Exchange ("TSXV")) of the SVSs as of this date, being \$0.43. The Finder is arm's length to each of the Company, BlockX and VST.

No new control person and no change of control resulted from the Transaction. The Company has not assumed any long-term debt pursuant to the Transaction. No new directors or officers were added to the Company's management team in connection with the Transaction. The Transaction remains subject to the final approval of the TSX Venture Exchange.

About edgeTI

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

Website: <https://edgeti.com>

LinkedIn: www.linkedin.com/company/edgeti

YouTube: www.youtube.com/user/edgetechnologies

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

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

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

Forward Looking Statements

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

Investors are cautioned that forward-looking information is not based on historical facts but instead reflect the Company's management's expectations, estimates or projections including expectations regarding the successful integration of the acquired assets into the business operations of the Company, the receipt of all requisite third party approvals, expectations regarding general business, economic and public markets conditions as well as expectations concerning future results or events based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made. Although the Company believes that the expectations reflected in such forward-looking information are reasonable, such information involves risks and uncertainties, and undue reliance should not be placed on such information, as unknown or unpredictable factors could have material adverse effects on future results, performance or achievements of the combined company. Among key factors and risks that could cause actual results to differ materially from those projected in the forward-looking information may include, without limitation, present and future business strategies and the environment in which the Company will operate in the future, including the price of inputs including labour costs; investor perception regarding the Transaction, the Company and its business, the ability to achieve its goals, expected costs and timelines to achieve the Company's goals; that general business and economic conditions will not change in a material adverse manner; successful integration of the assets acquired in the Transaction; that financing will be available if and when needed and on reasonable terms; anticipated costs associated comparative development of BlockX assets; the general economic environment; cybersecurity risks; financial projections may prove materially inaccurate or incorrect; the Company may experience difficulties to forecast sales; general competition in the industry from other companies; management of growth-related risks; reliance on management; risks relating to

insurance; our business could be adversely affected by increased labour costs or difficulties in finding suitable employees; changes in regulation; changes in customer demand; requirements for further financing; the Company may prioritize growth over short-term financial results. This forward-looking information may be affected by risks and uncertainties in the business of the Company and market conditions. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although the Company has attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated or intended. The Company does not intend, and does not assume any obligation, to update this forward-looking information except as otherwise required by applicable law.

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