UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2026

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 001-41581

RENX ENTERPRISES CORP.
(Exact name of registrant as specified in its charter)

Delaware	**87-1375590**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
990 Biscayne Boulevard, Suite 501, Miami FL	**33132**
(Address of principal executive offices)	(Zip Code)

(786) 808-5776
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
Common Stock, par value $0.001 per share	RENX	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐
Non-accelerated filer ☒
Accelerated filer ☐
Smaller reporting company ☒
Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of November 16, 2026 the issuer had a total of 3,501,979 shares of common stock, $0.001 par value per share, outstanding.

RENX ENTERPRISES CORP. AND SUBSIDIARIES

FORM 10-Q

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PART I. FINANCIAL INFORMATION

ITEM 1. Financial Statements

RENX ENTERPRISES CORP. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets

	September 30, 2026 (Unaudited)	*December 31, 2025* (Audited)
Assets		
Current Assets		
Cash	$ 201,379	$ 54,066
Prepaid assets and other current assets	875,831	638,166
Inventory	735,532	1,078,610
Accounts receivable, net	1,348,554	799,068
Current Assets	3,161,296	2,569,910
Land	2,393,785	2,393,785
Property and equipment, net	12,732,555	11,802,248
Project development costs and other non-current assets	91,289	91,289
Equity-based investments	849,740	828,440
Intangible assets, net	10,506,806	11,260,365
Right of use assets	350,596	290,092
Goodwill	6,240,432	6,240,432
Total Assets	$ 36,326,499	$ 35,476,561
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable and accrued expenses	$ 5,893,174	$ 5,530,211
Due to affiliates	600,604	2,094,833
Short-term notes payable, net	20,571,608	6,956,259
Notes payable - related party, current	511,749	5,562,266
Operating lease liabilities, current	83,422	60,446
Finance lease liabilities, current	236,130	183,359
Derivative liability	6,199	1,218,258
Total Current Liabilities	27,902,886	21,605,632
Long-term notes payable, net	2,942,080	8,243,678
Operating lease liabilities	285,871	250,119
Finance lease liabilities	1,147,373	982,887
Total Liabilities	32,278,210	31,082,316
Stockholders' Equity:		
Series A Preferred stock, $0.001 par value, 5,000,000 shares authorized, 30,416 issued and outstanding as of September 30, 2026, 938,847 issued and outstanding as of December 31, 2025	31	939
Series B Preferred stock, $0.001 par value, 360,000 shares authorized, 550 issued and outstanding as of September 30, 2026, 327,811 issued and outstanding as of December 31, 2025	1	326
Series C Preferred stock, $0.001 par value, 7,169 shares authorized, 7,169 issued and outstanding as of September 30, 2026, 0 issued and outstanding as of December 31, 2025	7	-
Series D Preferred stock, $0.001 par value, 1,441 shares authorized, 1,441 issued and outstanding as of September 30, 2026, 0 issued and outstanding as of December 31, 2025	-	-
Common stock, $0.001 par value, 500,000,000 shares authorized, 3,244,285 issued and 3,236,102 outstanding as of September 30, 2026 and, 946,742 issued and 938,559 outstanding as of December 31, 2025	3,244	947
Additional paid-in capital	62,495,631	36,565,513
Treasury stock, at cost – 8,183 and 8,183 shares at September 30, 2026 and December 31, 2025, respectively	-	-
Accumulated deficit	(58,450,625)	(32,173,480)
Total Stockholders' Equity	4,048,289	4,394,245
Total Liabilities and Stockholders' Equity	$ 36,326,499	$ 35,476,561

The accompanying notes are an integral part of these condensed financial statements.

RenX Enterprises Corp. and Subsidiaries
Condensed Consolidated Statements of Operations

	For the Three Months Ended September 30,		*For the Nine Months Ended September 30,*	
	2026	**2025**	**2026**	**2025**
	(Unaudited)	**(Unaudited)**	**(Unaudited)**	**(Unaudited)**
Revenue				
Sales	$ 4,485,401	$ 3,515,708	$ 12,699,431	$ 4,936,388
Total	4,485,401	3,515,708	12,699,431	4,936,388
Cost of Revenue				
Costs of revenue	2,949,075	2,607,085	8,473,154	3,476,441
Total	2,949,075	2,607,085	8,473,154	3,476,441
Gross Profit	1,536,326	908,623	4,226,277	1,459,947
Operating expenses				
Payroll and related expenses	1,259,570	1,038,146	3,325,263	2,175,571
General and administrative expenses	1,496,332	1,275,276	4,834,143	3,154,765
Professional and consulting fees	754,706	760,840	2,508,187	1,228,020
Marketing and business development expense	1,034,464	166,666	2,332,334	407,105
Bad debt expense	-	-	-	3,025,000
Total	4,545,072	3,240,928	12,999,927	9,990,461
Operating loss	(3,008,746)	(2,332,305)	(8,773,650)	(8,530,514)
Other income (expense)				
Interest expense	(5,660,849)	(2,004,260)	(9,802,032)	(3,789,105)
Change in fair value of derivative liability	-	-	(1,268,162)	-
Loss on settlement of derivative liability	-	-	(3,881,922)	-
Loss on exchange transaction	(32,794)	-	(2,247,921)	-
Gain (loss) on sale of equipment	14,093	-	(66,196)	-
Interest income	-	(62,325)	-	(14,653)
Other income	(2,143)	48,569	1,227	80,000
Total	(5,681,693)	(2,018,016)	(17,265,006)	(3,723,758)
Net loss	$ (8,690,439)	$ (4,350,321)	$ (26,038,656)	$ (12,254,272)
Net loss per share				
Basic and diluted	$ (3.27)	$ (22.33)	$ (10.86)	$ (86.98)
Weighted average shares outstanding:				
Basic and diluted	2,658,142	194,792	2,398,591	140,891

The accompanying notes are an integral part of these condensed financial statements.

RenX Enterprises Corp. and Subsidiaries
Condensed Consolidated Statements of Changes in Stockholder's Equity (Unaudited)

	$0.001 Par Value Common Stock		*Preferred Stock (Series A)*		*Additional Paid-in Capital*	*Accumulated Deficit*	*Non-controlling Interest*	*Total Stockholder's Equity*
	Shares	*Amount*	*Shares*	*Amount*				
Balance at January 1, 2025	74,344	$ 74	-	$ -	$ 16,660,564	$ (16,039,022)	$ 231,562	$ 853,178
Conversion of notes payable and accrued interest	100,589	101	-	-	2,278,057	-	-	2,278,158
Exercise of prefunded warrant	4,167	4	-	-	(4)	-	-	-
Issuance of common stock for debt issuance	17,127	17	-	-	413,221	-	-	413,238
Forgiveness of related party debt	-	-	-	-	391,524	-	-	391,524
Stock-based compensation	-	-	-	-	177,011	-	-	177,011
Deconsolidation of Sugar Phase	-	-	-	-	-	-	(66,667)	(66,667)
Issuance of warrants for debt issuance	-	-	-	-	170,743	-	-	170,743
Issuance of common and preferred stock for acquisition of Resource	18,841	19	1,500,000	1,500	9,231,063	-	-	9,232,582
Issuance of common stock for warrant exercise	11,793	12	-	-	214,469	-	-	214,481
Issuance of common stock for cash	15,485	15	-	-	560,406	-	-	560,421
Issuance of common stock for services	7,500	8	-	-	153,046	-	-	153,054
Issuance of common stock for prior debt issuance	2,215	2	-	-	(2)	-	-	-
Net loss	-	-	-	-	-	(12,254,272)	-	(12,254,272)
Balance at September 30, 2025	252,061	$ 252	1,500,000	$ 1,500	$ 30,250,098	$ (28,293,294)	$ 164,895	$ 2,123,451
Balance at June 30, 2025	156,605	$ 157	1,500,000	$ 1,500	$ 28,295,427	$ (23,942,973)	$ 164,895	4,519,006
Stock- based compensation	(546)	(1)	-	-	1	-	-	-
Issuance of common stock for debt issuance	7,427	7	-	-	198,645	-	-	198,652
Conversion of notes payable	51,582	52	-	-	828,106	-	-	828,158
Issuance of common stock for warrant exercise	4,289	4	-	-	78,000	-	-	78,004
Issuance of common stock for cash	15,485	15	-	-	560,406	-	-	560,421
Issuance of common stock for warrant exercise	7,504	8	-	-	136,469	-	-	136,477
Issuance of common stock for services	7,500	8	-	-	153,046	-	-	153,054
Issuance of common stock for prior debt issuance	2,215	2	-	-	(2)	-	-	-
Net loss	-	-	-	-	-	(4,350,321)	-	(4,350,321)
Balance at September 30, 2025	252,061	$ 252	1,500,000	$ 1,500	$ 30,250,098	$ (28,293,294)	$ 164,895	$ 2,123,451

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	Common Stock		Preferred Stock (Series A)		Preferred Stock (Series B)		Preferred Stock (Series C)		Preferred Stock (Series D)		Additional Paid-in Capital	Accumulated Deficit	Total Stockholder's Equity
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount			
Balance at January 1, 2026	946,742	$ 947	938,847	$ 939	327,811	$ 326	-	$ -	-	$ -	$ 36,565,513	$ (32,173,480)	$ 4,394,245
Issuance of stock for warrant exercise	135,107	135	-	-	-	-	-	-	-	-	(135)	-	-
Cash paid for stock split	(35)	-	-	-	-	-	-	-	-	-	-	-	-
Conversion of Series B preferred stock to common stock	1,202,577	1,203	-	-	(327,261)	(325)	-	-	-	-	3,592,076	-	3,592,954
Series B preferred stock accrued dividends	-	-	-	-	-	-	-	-	-	-	238,489	(238,489)	-
Issuance of stock for services	90,000	90	-	-	-	-	-	-	-	-	221,468	-	221,558
Conversion of Series A preferred stock to common stock	272,534	272	(908,431)	(908)	-	-	-	-	-	-	636	-	-
Forgiveness of related party debt	-	-	-	-	-	-	-	-	-	-	490,000	-	490,000
Issuance of warrants for debt issuance	-	-	-	-	-	-	-	-	-	-	9,640,629	-	9,640,629
Exchange of related party debt for Series C preferred stock and warrants	-	-	-	-	-	-	7,169	7	-	-	9,384,192	-	9,384,199
Exchange of related party debt for Series D preferred stock and warrants	-	-	-	-	-	-	-	-	1,441	-	1,479,568	-	1,479,568
Conversion of notes payable and accrued interest to common stock	597,360	597	-	-	-	-	-	-	-	-	883,195	-	883,792
Net loss	-	-	-	-	-	-	-	-	-	-	-	(26,038,656)	(26,038,656)
Balance at September 30, 2026	3,244,285	$ 3,244	30,416	$ 31	550	$ 1	7,169	$ 7	1,441	$ -	$ 62,495,631	$ (58,450,625)	$ 4,048,289
Balance at June 30, 2026	2,621,925	$ 2,622	30,416	$ 31	550	$ 1	7,169	$ 7	-	$ -	$ 56,799,473	$ (49,760,186)	$ 7,041,948
Issuance of stock for services	25,000	25	-	-	-	-	-	-	-	-	42,975	-	43,000
Issuance of warrants for debt issuance	-	-	-	-	-	-	-	-	-	-	3,290,420	-	3,290,420
Exchange of related party debt for Series D preferred stock and warrants	-	-	-	-	-	-	-	-	1,441	-	1,479,568	-	1,479,568
Conversion of notes payable and accrued interest to common stock	597,360	597	-	-	-	-	-	-	-	-	883,195	-	883,792
Net loss	-	-	-	-	-	-	-	-	-	-	-	(8,690,439)	(8,690,439)
Balance at September 30, 2026	3,244,285	$ 3,244	30,416	$ 31	550	$ 1	7,169	$ 7	1,441	$ -	$ 62,495,631	$ (58,450,625)	$ 4,048,289

The accompanying notes are an integral part of these condensed financial statements.

RenX Enterprises Corp. and Subsidiaries
Condensed Consolidated Statements of Cash Flows

	For the Nine Months Ended September 30, 2026 (Unaudited)	*For the Nine Months Ended September 30, 2025* (Unaudited)
Cash flows from operating activities:		
Net loss	$ (26,038,656)	$ (12,254,272)
Adjustments to reconcile net loss to net cash used in operating activities:		
Change in fair value of derivative liability	1,268,162	-
Loss on settlement of derivative liability	3,881,922	-
Loss on exchange transaction	2,247,921	-
Depreciation	1,582,640	576,893
Amortization	753,559	62,510
Bad debt expense	-	3,025,000
Amortization of debt issuance costs	6,106,162	1,591,345
Amortization of right of use asset	38,371	15,384
Stock based compensation	-	177,011
Impairment of intangible assets	-	965,812
Loss on sale of equipment	66,196	-
Common stock for services	221,558	-
Changes in operating assets and liabilities:		
Account receivable	(549,486)	50,307
Inventory	343,078	(138,298)
Prepaid expenses	(237,665)	512,525
Prepaid assets and other current assets	-	-
Notes receivable	-	2,500
Due to affiliates	658,118	1,179,183
Accounts payable and accrued expenses	2,299,737	3,823,833
Operating lease liabilities	(40,147)	(15,298)
Net cash (used in) provided by operating activities	(7,398,530)	(425,565)
Cash flows from investing activities:		
Additions to intangible assets	-	(6,668)
Cash received in acquisition	-	309,557
Purchase of CIP materials	-	-
Proceeds from sale of property and equipment	39,093	-
Purchase of property and equipment	(2,209,734)	(176,565)
Project development costs	-	4,950
Cash received from JV	-	(1,500)
Additions to equity based investments	(21,300)	-
Net cash (used in) provided by investing activities	(2,191,941)	129,774
Cash flows from financing activities:		
Debt issuance costs	(2,416,365)	(361,477)
Payments on finance lease	(191,245)	(62,032)
Cash paid from split	-	(58)
Proceeds from notes payable	18,582,820	1,756,892
Principal payments on debt	(3,468,237)	(2,276,653)
Cash received from issuance of stock	-	602,835
Cash received for warrant exercise	-	233,414
Cash payment of derivative liability	(2,769,189)	-
Net cash provided by (used in) financing activities	9,737,784	(107,079)
Net change in cash from continuing operations	147,313	(402,870)
Net cash provided by (used in) discontinued operations:		
Cash provided by operating activities	-	237,507
Cash provided by investing activities	-	177,989
Cash used in financing activities	-	(7,355)
Net cash provided by discontinued operations	-	408,141
Net change in cash	147,313	5,271
Cash – beginning of period	54,066	227,766
Cash – end of period	$ 201,379	$ 233,037
Supplemental disclosure of non-cash operating activities:		
Forgiveness of related party accounts payable and accrued expenses	$ 490,000	$ -
Issuance of common stock for derivative liability settlement	$ 3,592,954	$ -
Issuance of common stock for warrant exercise	$ 135	$ -
Conversion of Series A preferred stock to common stock	$ 272	$ -
Conversion of notes payable and accounts payable and accrued expenses for Series C preferred stock and warrants	$ 7,169,072	$ -
Conversion of due to affilate for Series D preferred stock and warrants	$ 1,446,774	$ -
Forgiveness of amounts due from affiliates	$ -	$ 391,524
Issuance of warrants for debt issuance	$ 9,640,629	$ 413,239
Conversion of notes payable to common stock	$ 883,792	$ 2,278,158
Pre-funded warrants	$ -	$ 83
Issuance of stock for prior debt issuance	$ -	$ 44

The accompanying notes are an integral part of these condensed financial statements.

RenX Enterprises Corp.
Notes to Financial Statements

For the Nine Months Ended September 30, 2026 and 2025

1. Description of Business

RenX Enterprises Corp. (the "Company" or "RenX") is a vertically integrated, full-service operator in the engineered soils and organic recycling industry, operating through Resource Group US Holdings LLC ("Resource Group"), which the Company acquired in June 2025 in a transaction that marked a significant strategic shift in the Company's core business. The Company, through its subsidiaries, centers its operations on the transformation of targeted organic green waste materials into environmentally friendly soil and mulch products. Through its subsidiary, Zimmer Equipment Inc. ("ZEI"), the Company provides comprehensive waste logistics and collection services for its own products as well as for products of third parties through ZEI's owned fleet of high-capacity transportation equipment and third-party contractors engaged by ZEI. ZEI offers year-round collection and disposal services through high-capacity grapple trucks, open-top walking floor trailers, and variable-sized containers serving green waste generators, landscaping companies, golf courses, communities, and municipalities. Resource Group works with ZEI to streamline operations by internalizing certain transportation services, reducing over-the-road mileage, lowering disposal costs, and maximizing efficiency. The Company also continues to seek to monetize its legacy real estate assets and joint venture interests.

The Company is a Delaware corporation, originally formed in 2021 under the name SGB Development Corp. to engage in real property development using purpose-built, prefabricated modules constructed from both wood and steel. From its inception through 2023, the Company's operations primarily focused on the acquisition, entitlement, and development of residential properties in high-growth markets across the United States, including direct acquisitions of land, strategic investments in real estate entities, and joint venture partnerships targeting green, single-family and multifamily housing projects. In 2023 and early 2024, the Company expanded that strategy by investing in real estate-related artificial intelligence ("AI") technologies and entering into additional joint ventures in the Southern Texas market aimed at developing sustainable single-family housing. Following the strategic shift described above, the Company is no longer pursuing real estate-related AI activities, and the Company has announced plans to monetize its legacy real estate holdings by selling properties where third-party appraisals indicate meaningful value appreciation, with proceeds to be reinvested in its current operations. In December 2025, the Company changed its name to RenX Enterprises Corp. to reflect its new strategic direction.

The Company operates in three segments: compost sales, logistics, and real estate development

Going Concern

The Company began operations during 2021 and has incurred net losses since inception and has an accumulated deficit, which raises substantial doubt about its ability to continue as a going concern. As of September 30, 2026, the Company has an accumulated deficit of $58,450,625, and negative working capital of $24,741,590. The Company has funded its operations through bridge note financing, project level financing, and the issuance of its equity and debt securities. The above conditions raise substantial doubt about the Company's ability to continue as a going concern. The Company has initiated a strategic monetization of its legacy real estate properties, which may yield additional financing proceeds to fund operations, however there is no assurance that the Company will be successful in achieving its objectives.

Reverse Stock Split

On October 8, 2024, the Company effected a 1-for-20 reverse stock split of its then-outstanding common stock ("2024 Stock Split").

On March 26, 2026, the Company effected a second 1-for-20 reverse stock split of its then-outstanding common stock ("2026 Stock Split").

All share and per share amounts set forth in the condensed consolidated financial statements of the Company have been retroactively restated to reflect the 2024 Stock Split and 2026 Stock Split as if they had occurred as of the earliest period presented and unless otherwise stated, all other share and per share amounts for all periods presented in this Quarterly Report on Form 10-Q for the nine months ended September 30, 2026 have been adjusted to reflect the reverse stock splits effected in October 2024 and March 2026.

RenX Enterprises Corp.
Notes to Financial Statements

For the Nine Months Ended September 30, 2026 and 2025

2. Summary of Significant Accounting Policies

Basis of presentation and principles of consolidation — The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and with the instructions to the Quarterly Report on Form 10-Q and Article 8 of Regulation S-X. Accordingly, they do not include all of the information and notes required by GAAP for annual financial statements. The consolidated financial statements and notes should be read in conjunction with the audited condensed consolidated financial statements and notes for the year ended December 31, 2025 included in the Company's Annual Report on Form 10-K for the year ended December 31, 2025, as filed with the Securities and Exchange Commission on April 1, 2026. In the opinion of management, all adjustments, consisting of normal accruals, considered necessary for a fair presentation of the interim financial statements have been included. Results for the nine months ended September 30, 2026 are not necessarily indicative of the results that may be expected for the year ending December 31, 2026. The accompanying condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, LV Peninsula Holding, LLC ("LV Holding"), MyVonia Innovations LLC ("MyVonia LLC"), Resource Group, Resource Group US LLC ("Resource"), Zimmer Equipment Inc. ("ZEI") and ETS Realty 1, LLC ("ETS"), as well as Sugar Phase I LLC ("Sugar Phase") and Pulga Internacional LLC ("Pulga") (until the time of deconsolidation of Sugar Phase and Pulga).

Recently adopted accounting pronouncements — New accounting pronouncements implemented by the Company are discussed below or in the related notes, where appropriate.

Accounting estimates — The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of expenses during the reporting period. Actual results could differ from those estimates.

Revenue recognition — The Company determines, at contract inception, whether it will transfer control of a promised good or service over time or at a point in time, regardless of the length of contract or other factors. The recognition of revenue aligns with the timing of when promised goods or services are transferred to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. To achieve this core principle, the Company applies the following five steps in accordance with its revenue policy:

(1) Identify the contract with a customer

(2) Identify the performance obligations in the contract

(3) Determine the transaction price

(4) Allocate the transaction price to performance obligations in the contract

(5) Recognize revenue as performance obligations are satisfied

RenX Enterprises Corp.
Notes to Financial Statements

For the Nine Months Ended September 30, 2026 and 2025

2. **Summary of Significant Accounting Policies** (cont.)

The revenue the Company has generated has resulted primarily from the sale of materials (compost, engineered soils, and mulch) as well as the collection and disposal services of waste, which at times, is processed into saleable materials. Such revenue is recognized at the point in time when control of the product transfers to the customer, which typically occurs upon delivery or customer pickup at the Company's facility. For revenue from commissions related to residential real estate purchased and sales transactions, the Company applies recognition of revenue when the customer obtains control over such service, which is at a point in time.

Revenue from the sale of materials amounted to $1,090,103 and $759,698 and revenue from logistics, collection and disposal services provided by ZEI amounted to $3,395,298 and $2,756,010, for the three months ended September 30, 2026 and 2025, respectively.

Revenue from the sale of materials amounted to $3,086,838 and $1,184,894, and revenue from logistics, collection and disposal services provided by ZEI amounted to $9,612,593 and $3,733,324, for the nine months ended September 30, 2026 and 2025, respectively. Revenue from commissions amounted to $0 and $18,170 for the nine months ended September 30, 2026 and 2025, respectively.

Accounts receivable and allowance for credit losses — Accounts receivable are receivables generated from sales to customers. Amounts included in accounts receivable are deemed to be collectible within the Company's operating cycle. The Company recognizes accounts receivable at invoiced amounts.

The Company adopted ASC 326, Current Expected Credit Losses, on January 1, 2023, which requires the measurement and recognition of expected credit losses using a current expected credit loss model. The allowance for credit losses on expected future uncollectible accounts receivable is estimated considering forecasts of future economic conditions in addition to information about past events and current conditions.

The allowance for credit losses reflects the Company's best estimate of expected losses inherent in the accounts receivable balances. Management provides an allowance for credit losses based on the Company's historical losses, specific customer circumstances, and general economic conditions. Periodically, management reviews accounts receivable and adjusts the allowance based on current circumstances and charges off uncollectible receivables when all attempts to collect have been exhausted and the prospects for recovery are remote. Recoveries are recognized when they are received. Actual collection losses may differ from the Company's estimates and could be material to its consolidated financial position, results of operations, and cash flows. As of September 30, 2026 and December 31, 2025, the Company's allowance for credit losses amounted to $102,461 and $160,075, respectively.

Inventory — Inventory consists of dirt, sand, mulch and compost. The Company's inventory is valued at the lower of cost (first-in, first-out method) or net realizable value, and consists of all finished goods. As of September 30, 2026 and December 31, 2025 there was inventory of $735,532 and $1,078,610, respectively.

Variable Interest Entities — The Company accounts for certain legal entities as variable interest entities ("VIE"). When evaluating a VIE for consolidation, the Company must determine whether or not there is a variable interest in the entity. Variable interests are investments or other interests that absorb portions of an entity's expected losses or receive portions of the entity's expected returns. If it is determined that the Company does not have a variable interest in the VIE, no further analysis is required and the VIE is not consolidated. If the Company holds a variable interest in a VIE, the Company consolidates the VIE when there is a controlling financial interest in the VIE and therefore are deemed to be the primary beneficiary. The Company is determined to have a controlling financial interest in a VIE when it has both the power to direct the activities of the VIE that most significantly impact the VIE economic performance and the obligation to absorb losses or the right to receive benefits of the VIE that could potentially be significant to that VIE. This determination is evaluated periodically as facts and circumstances change.

RenX Enterprises Corp.
Notes to Financial Statements

For the Nine Months Ended September 30, 2026 and 2025

2. Summary of Significant Accounting Policies (cont.)

Investment Entities — The Company previously obtained a 50% membership interest in Norman Berry II Owner LLC ("Norman Berry"). The purpose of the investment in Norman Berry is to develop and provide affordable housing in the Atlanta, Georgia metropolitan area. The Company has determined it is not the primary beneficiary of Norman Berry and thus does not consolidate Norman Berry's activities in its financial statements. The Company uses the equity method to report Norman Berry's activities as an investment in its condensed consolidated financial statements. As of September 30, 2026 the Company continued to hold a 50% interest in Norman Berry. During the nine months ended September 30, 2026, the Company contributed an additional $21,300 for its investment. The Norman Berry partnership recently obtained final city council and entitlement approval for the project. The next step involves completing the consolidation of the various lots into a single parcel, and the Company's development team and surveyors are preparing the required documentation and submittals for city review and approval. Survey documents reflecting the approved M-I zoning designation are expected to be submitted to the city's Planning Department for administrative review to obtain final parcel-map approval.

During the nine months ended September 30, 2026 and 2025, Norman Berry did not have any material earnings or losses as the investments are in development. In addition, management believes there was no impairment as of September 30, 2026 and December 31, 2025.

Property, plant and equipment — Property, plant and equipment is stated at cost. Depreciation is computed using the straight-line method over the estimated lives of each asset. Repairs and maintenance are charged to expense when incurred. Included in property, plant and equipment, are recoverable reserves acquired in connection with the Resource acquisition described below. Such reserves represent the approximately 9 million tons of entitled sand reserves on the land obtained in connection with the Resource acquisition as well. The estimated amount was based on third-party engineering and appraisal reports. Cost depletion on these depletable reserves is based upon units-of-production.

Intangible assets — Intangible assets consist of $22,210 of website costs that will be amortized over 5 years, $5,458,400 of trade name that will be amortized over 15 years, and $6,368,100 of a license agreement that will be amortized over 10 years which is the life of the license.

Project Development Costs — Project development costs are stated at cost. At September 30, 2026 and December 31, 2025, the Company's project development costs are expenses incurred related to development costs on various projects that are capitalized during the period the project is under development.

Fair value measurements — Financial instruments, including accounts payable and accrued expenses are carried at cost, which the Company believes approximates fair value due to the short-term nature of these instruments. The short-term notes payable are carried at cost which approximates fair value due to corresponding market rates. Financial instruments, such as derivative liabilities are measured at fair value at each reporting date (see Note 6 for additional information).

RenX Enterprises Corp.
Notes to Financial Statements

For the Nine Months Ended September 30, 2026 and 2025

2. Summary of Significant Accounting Policies (cont.)

Derivative liability — The Company evaluates all features contained in financing agreements to determine if there are any embedded derivatives that require separate accounting from the underlying agreement under ASC 815 – Derivatives and Hedging. An embedded derivative that requires separation is accounted for as a separate liability or asset from the host agreement. The separated embedded derivative is accounted for at fair market value, with changes in fair value recognized in the statements of operations within the other financing costs line item. The Company determined that certain features under the October Private Placement (See Note 10 — Stockholders' Equity) qualified as an embedded derivative. The derivative was accounted for separately from the underlying Series B Preferred Stock and is accounted for at fair value.

Warrants — The Company reviews the terms of warrants to purchase its common stock to determine whether warrants should be classified as liabilities or stockholders' equity in its condensed consolidated balance sheets. In order for a warrant to be classified in stockholders' equity, the warrant must be (i) indexed to the Company's equity and (ii) meet the conditions for equity classification. If a warrant does not meet the conditions for stockholders' equity classification, it is carried on the condensed consolidated balance sheets as a warrant liability measured at fair value, with subsequent changes in the fair value of the warrant recorded in the condensed consolidated statements of operations. If a warrant meets both conditions for equity classification, the warrant is initially recorded, at its relative fair value on the date of issuance, in stockholders' equity in the condensed consolidated balance sheets, and the amount initially recorded is not subsequently remeasured at fair value.

Income taxes — The Company accounts for income taxes utilizing the asset and liability approach. Under this approach, deferred taxes represent the future tax consequences expected to occur when the reported amounts of assets and liabilities are recovered or paid. The provision for income taxes generally represents income taxes paid or payable for the current year plus the change in deferred taxes during the year. Deferred taxes result from the differences between the financial and tax bases of the Company's assets and liabilities and are adjusted for changes in tax rates and tax laws when changes are enacted.

The calculation of tax liabilities involves dealing with uncertainties in the application of complex tax regulations. The Company recognizes liabilities for anticipated tax audit issues based on the Company's estimate of whether, and the extent to which, additional taxes will be due. If payment of these amounts ultimately proves to be unnecessary, the reversal of the liabilities would result in tax benefits being recognized in the period when the liabilities are no longer determined to be necessary. If the estimate of tax liabilities proves to be less than the ultimate assessment, a further charge to expense would result.

On July 4, 2025, the One Big Beautiful Bill Act ("OBBBA") was signed into law, extending key provisions of the 2017 Tax Cuts and Jobs Act including, but not limited to, the restoration of 100% bonus depreciation, the introduction of new Section 174A permitting immediate expensing of domestic research and experimental expenditures, modifications to Section 163(j) interest expense limitations, updates to the rules governing global intangible low-taxed income, amendments to energy credit provisions, and the expansion of Section 162(m) aggregation requirements. The impact of the OBBBA has not had a material impact on the Company's condensed consolidated financial statements.

RenX Enterprises Corp.
Notes to Financial Statements

For the Nine Months Ended September 30, 2026 and 2025

2. Summary of Significant Accounting Policies (cont.)

Business Combinations — The Company accounts for business acquisitions using the acquisition method of accounting in accordance with ASC 805 "Business Combinations", which requires recognition and measurement of all identifiable assets acquired and liabilities assumed at their fair value as of the date control is obtained. The Company determines the fair value of assets acquired and liabilities assumed based upon its best estimates of the acquisition-date fair value of assets acquired and liabilities assumed in the acquisition. Goodwill represents the excess of the purchase price over the fair value of the net tangible and identifiable intangible assets acquired. Subsequent adjustments to fair value of any contingent consideration are recorded to the Company's condensed consolidated statements of operations. Costs that the Company incurs to complete the business combination are charged to general and administrative expenses as they are incurred.

For acquisitions of assets that do not constitute a business, any assets and liabilities acquired are recognized at their cost based upon their relative fair value of all asset and liabilities acquired.

Recently Issued Accounting Pronouncements - In November 2024, the FASB issued ASU No. 2024-03, "Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures." This ASU requires that each interim and annual reporting period, an entity discloses more information about the components of certain expense captions that is currently disclosed in the financial statements. This update is effective for annual reporting periods beginning after December 15, 2026. Early adoption is permitted. Management is currently evaluating the effects this guidance will have on its financial statements.

3 Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization and depreciated using the straight-line method over their useful lives. At September 30, 2026 and December 31, 2025 the Company's property and equipment, net consisted of the following:

	2026	2025	Estimated Life (in years)
Computer equipment and software	$ 7,293	$ 7,293	5
Equipment	8,786,424	6,835,836	5 - 10
Reserves	3,636,379	3,636,379	*
Furniture and fixtures	1,572,843	1,529,412	4 - 7
Land improvements	327,059	321,922	7 - 20
Vehicles and trailer	6,232,966	5,824,464	5
Less: accumulated depreciation	(7,830,409)	(6,353,058)	
Property, plant and equipment, net	$ 12,732,555	$ 11,802,248	

* Based upon units-of-production

Included in property and equipment is $2,569,566 and $2,110,471 of finance lease right of use assets as of September 30, 2026 and December 31, 2025, respectively.

Depreciation expense for the three months ended September 30, 2026 and 2025 amounted to $473,427 and $431,097, respectively, of which $51,914 and $58,271 related to finance leases, respectively. Depreciation expense for the nine months ended September 30, 2026 and 2025 amounted to $1,582,640 and $576,893, respectively, of which $157,861 and $77,694 related to finance leases, respectively.

RenX Enterprises Corp.
Notes to Financial Statements

For the Nine Months Ended September 30, 2026 and 2025

4. Intangible Assets

At September 30, 2026 and December 31, 2025 the Company's intangible assets consisted of the following:

	2026	2025
Website costs	$ 22,210	$ 22,210
Trade name	5,458,400	5,458,400
License agreement	6,368,100	6,368,100
Less: accumulated amortization	(1,341,904)	(588,345)
	$ 10,506,806	$ 11,260,365

Amortization expense for the three months ended September 30, 2026 and 2025 amounted to $251,287 and $1,111, respectively. Amortization expense for the nine months ended September 30, 2026 and 2025 amounted to $753,559 and $62,510, respectively.

The following table represents the total estimated amortization of intangible assets for the succeeding years:

For the year ending December 31:	Estimated amortization expense
2026 (remaining)	$ 250,986
2027	1,004,545
2028	1,004,545
2029	999,503
2030 and thereafter	7,247,227
	$ 10,506,806

5. Equity-based investments

As of September 30, 2026, the Company's investment in Norman Berry amounted to $849,740. As of December 31, 2025, the Company's investment in Norman Berry amounted to $828,440. The financial position of the Company's equity-based investments are summarized below as of September 30, 2026 and December 31, 2025:

Balance sheet information:	September 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Total assets	$ 1,000,000	$ 1,000,000
Total liabilities	$ -	$ -
Members' equity	$ 1,000,000	$ 1,000,000

RenX Enterprises Corp.
Notes to Financial Statements

For the Nine Months Ended September 30, 2026 and 2025

6. Fair Value Measurements

The Company measures the fair value of financial assets and liabilities based on the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Company maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value.

The Company uses three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities.

Level 2 Quoted prices for similar assets and liabilities in active markets or inputs that are observable.

Level 3 Inputs that are unobservable (for example, cash flow modeling inputs based on assumptions).

Transfer into and transfers out of the hierarchy levels are recognized as if they had taken place at the end of the reporting period. There have been no changes in Level 1, Level 2, and Level 3 and no changes in valuation. The fair value of the Company's derivative liability was determined using significant unobservable measures and therefore classified as Level 3. The Company does not have any financial instruments in the Level 1 or Level 2 category.

	Fair value measured as of September 30, 2026			
	Total at September 30, 2026	**Quoted prices in active markets (Level 1)**	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Liabilities:				
Derivative liability	$ 6,199	$ -	$ -	$ 6,199

	Fair value measured as of December 31, 2025			
	Total at December 31, 2025	**Quoted prices in active markets (Level 1)**	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Liabilities:				
Derivative liability	$ 1,218,258	$ -	$ -	$ 1,218,258

RenX Enterprises Corp.
Notes to Financial Statements

For the Nine Months Ended September 30, 2026 and 2025

6. Fair Value Measurements (cont.)

The table below shows the inputs used to determine the fair value of the derivative liability:

	September 30, 2026	December 31, 2025
Risk-free interest rate	3.7%	3.68%
Market discount rate	0 - 30%	30%
Term (years)	4.54	4.79
Expected volatility	140%	140%

The following table sets forth a summary of the change in the fair value of the derivative liability that are measured at fair value on a recurring basis for the nine months ended September 30, 2026:

Balance, as of December 31, 2025	$ 1,218,258
Payments made *	(6,362,143)
Change in fair value	1,268,162
Loss on settlement	3,881,922
Balance, as of September 30, 2026	$ 6,199

* During the nine months ended September 30, 2026, $2,769,189 was paid in cash and shares of common stock, valued at $3,592,954, were issued as additional payment.

RenX Enterprises Corp.
Notes to Financial Statements

For the Nine Months Ended September 30, 2026 and 2025

7. Notes Payable and Notes Payable – Related Party

The following outlines the Company's Notes Payable and Notes Payable – Related Party. Any related party notes payable are noted as such.

LV Note

On April 3, 2024, LV Holding, entered into a Modification and Extension Agreement, effective as of April 1, 2024 (the "Extension Agreement"), to extend to April 1, 2025 the maturity date of a promissory note in the amount of $5,000,000 (the "LV Note"). As consideration for the Extension Agreement, LV Holding agreed to pay an extension fee of $50,000. Additionally, the Extension Agreement provided for the LV Note's interest rate to be increased to a fixed rate of 17.00%. In addition, pursuant to a loan agreement dated April 3, 2024 (the "2nd Lien Loan Agreement"), LV Holding issued a promissory note, in the principal amount of $1,000,000 (the "2nd Lien Note"), secured by a revised Deed of Trust and Security Agreement, dated April 3, 2024 (the "Revised Deed of Trust") on the Company's Lago Vista site, and a Modification to Real Estate Mortgage, dated April 3, 2024 ("Mortgage Modification"), to the mortgage, dated March 30, 2023, on the Company's McLean site in Durant, Oklahoma. The 2nd Lien Note is subordinate to the LV Note. The 2nd Lien Note required monthly installments of interest only at a fixed rate of 17.00%, had a maturity date of April 1, 2025 and could be prepaid by LV Holding at any time without interest or penalty. LV Holding's obligations under the 2nd Lien Note were guaranteed by the Company pursuant to a Guaranty, dated April 3, 2024.

The Company and Norman Berry entered into a Restructuring and Collateral Agreement, dated January 6, 2026 and effective as of December 31, 2025 (the "Restructuring Agreement"), with an institutional investor relating to the outstanding promissory note in the principal amount of approximately $7.0 million issued by LV Holding and secured by the Company's Lake Travis project site in Lago Vista, Texas (the "Lago Vista Property"). Pursuant to the Restructuring Agreement, among other things: (i) LV Holding delivered a Deed in Lieu of Foreclosure conveying title to the Lago Vista Property to the lender in exchange for the lender's agreement to conditionally extinguish $5.0 million of the outstanding note; (ii) LV Holding entered into a Loan Modification Agreement, dated December 31, 2025, securing the remaining $2.0 million balance of the outstanding note with the Company's property in Durant, Oklahoma; (iii) LV Holding issued a conditional promissory note, dated January 6, 2026 (the "New LV Note"), in the principal amount of $5.0 million, which will automatically become effective on or before the date that is 24 months after its execution if the development, construction, flood-plain remediation and all material improvements to the Lago Vista Property have not been substantially completed in accordance with the agreed project plan or the entire outstanding indebtedness owed to the lender is not paid, and which, upon effectiveness, would bear interest at a rate of 13.50% per annum, provide for interest-only payments for 12 months and mature on December 1, 2028; and (iv) the Company pledged its 50% membership interest in Norman Berry to the lender as collateral (which membership interest also serves as alternative collateral under the New BCV Loan Agreement) and granted the lender a security interest in a $209,333 promissory note executed by Norman Berry payable to the Company. Upon a sale of the Lago Vista Property by the lender, the Company is entitled to receive 70% of any net sale proceeds in excess of $5.0 million plus any additional new funds provided for finalization of the project, including accrued interest and/or penalties.

RenX Enterprises Corp.
Notes to Financial Statements

For the Nine Months Ended September 30, 2026 and 2025

7. Notes Payable and Notes Payable – Related Party (cont.)

BCV

On November 10, 2025, the Company entered into a new Loan Agreement (the "New BCV Loan Agreement") with a Luxembourg-based specialized investment fund, BCV Renew Earth ("BCV Renew Earth"), for up to $5,000,000 in proceeds, under which it initially received $2,000,000. The New BCV Loan Agreement provides that the loan provided thereunder will bear interest at 14% per annum and mature on May 10, 2027. The New BCV Loan Agreement is secured primarily by the Company's property in Durant, Oklahoma and its 50% membership interest in Norman Berry as alternative collateral, to be used only if the note is in default (that membership interest is also pledged to the lender under the Restructuring Agreement relating to the Lago Vista Property). As of September 30, 2026, the principal balance amounted to $3,738,400.

1800 Diagonal

Between April and December 2025, the Company issued five promissory notes to 1800 Diagonal Lending LLC ("1800 Diagonal"), the Fifth through Ninth 1800 Diagonal Notes, in an aggregate original principal amount of $626,500, each issued at an original issue discount and payable in scheduled monthly installments. As of September 30, 2026, all five notes had been repaid in full and no principal balance remained outstanding. The terms of these notes are described in the Company's 2025 Annual Report on Form 10-K.

Between December 2025 and August 2026, the Company issued five promissory notes in favor of 1800 Diagonal in the aggregate principal amount of $643,710 for a total purchase price of $557,488, representing an original issue discount of $86,222, which bear interest at rates between 12-13%. Under the terms of the notes, the Company is required to make monthly payments of accrued, unpaid interest and outstanding principal, subject to adjustment on set dates, with the final maturity date being June 2027. The Company has the right to accelerate payments or prepay in full at any time with no prepayment penalty. In connection with these notes, the Company incurred $33,000 in debt issuance costs.

As of September 30, 2026 the total principal balance of 1800 Diagonal Notes amounted to $474,440.

Cedar

On March 13, 2025, the Company entered into a Cash Advance Agreement (the "Cedar Cash Advance Agreement") with Cedar Advance LLC ("Cedar") pursuant to which the Company sold to Cedar $750,000 of its future receivables for a purchase price of $610,000 less underwriting fees and expenses paid and the repayment of prior amounts due Cedar, for net funds provided of $49,900. Pursuant to the Cedar Cash Advance Agreement, Cedar withdrew approximately $15,000 a week directly from the Company until the $750,000 due to Cedar is paid in full. In the event of a default (as defined in the Cedar Cash Advance Agreement), Cedar, among other remedies, could demand payment in full of all amounts remaining due under the Cedar Cash Advance Agreement. As of September 30, 2026, there was no outstanding balance.

On April 27, 2026, the Company refinanced a portion of its remaining obligations to Cedar by entering into a new Cash Advance Agreement (the "Cedar April 2026 Agreement"), pursuant to which the Company sold to Cedar $118,915 of its future receivables for a purchase price of $85,000, less underwriting fees and expenses paid and the repayment of prior amounts due Cedar, for net funds provided of $80,000. Pursuant to the Cedar April 2026 Agreement, Cedar withdrew approximately $3,716 a week directly from the Company until the $118,915 due to Cedar was paid in full. In the event of a default (as defined in the Cedar April 2026 Agreement), Cedar, among other remedies, could demand payment in full of all amounts remaining due under the Cedar April 2026 Agreement. As of September 30, 2026, there was no outstanding balance.

On September 16, 2026, the Company entered into a new Cash Advance Agreement (the "Cedar September 2026 Agreement"), pursuant to which the Company sold to Cedar $71,500 of its future receivables for a purchase price of $53,000, less underwriting fees and expenses paid and the repayment of prior amounts due Cedar, for net funds provided of $50,000. Pursuant to the Cedar September 2026 Agreement, Cedar is expected to withdraw $1,987.50 a week directly from the Company until the $71,500 due to Cedar is paid in full. In the event of a default (as defined in the Cedar September 2026 Agreement), Cedar, among other remedies, can demand payment in full of all amounts remaining due under the Cedar September 2026 Agreement. As of September 30, 2026, the balance amounted to $50,056.

CFG

On September 1, 2026, the Company entered into a Cash Advance Agreement (the "CFG Cash Advance Agreement") with CFG Merchant Solutions, LLC ("CFG") pursuant to which the Company sold to CFG $278,000 of its future receivables for a purchase price of $200,000 less underwriting fees and expenses paid due CFG, for net funds provided of $199,000. Pursuant to the CFG Cash Advance Agreement, CFG is expected to withdraw $5,450 a week directly from the Company until the $278,000 due to CFG is paid in full. In the event of a default (as defined in the CFG Cash Advance Agreement), CFG, among other remedies, can demand payment in full of all amounts remaining due under the CFG Cash Advance Agreement. As of September 30, 2026, the balance amounted to $278,000.

RenX Enterprises Corp.
Notes to Financial Statements

For the Nine Months Ended September 30, 2026 and 2025

7. Notes Payable and Notes Payable – Related Party (cont.)

Resource Group Note – Related Party

On June 2, 2025, the Company entered into an Amendment (the "Amendment") to the Membership Interest Purchase Agreement, dated February 25, 2025 (the "Resource Group MIPA"), with Resource Group US Holdings LLC, a Florida limited liability company ("Resource Group"), and the members of Resource Group (the "Equityholders"). The Amendment altered the consideration to be paid by the Company to the Equityholders in connection with the purchase of 100% of the membership interests of Resource Group. Pursuant to the Amendment, the purchase price for the membership interests of Resource Group included, amongst other things, $480,000 in principal amount of unsecured 6% promissory notes due on the first anniversary of the closing; the full consideration for the acquisition is described in Note 8 — Business Combination and Acquisition of Assets. No default under this note has been declared and the Company is in the process of documenting an exchange of this debt for equity.

As of September 30, 2026, the principal balance amounted to $480,000.

Boot Capital

On December 15, 2025, the Company issued a promissory note (the "Boot Capital Note") in favor of Boot Capital LLC in the principal amount of $87,750 for a purchase price of $75,000, representing an original issue discount of $12,750. Under the terms of the Boot Capital Note, beginning on January 15, 2026, the Company was required to make four monthly payments of accrued, unpaid interest and outstanding principal, subject to adjustment, in the amount of $14,874, thereafter the monthly payments decreased to $7,933 for five payments. The Company had the right to accelerate payments or prepay in full at any time with no prepayment penalty. As of September 30, 2026, there was no outstanding balance.

Sixth Borough Partners

On October 8, 2025, the Company issued a promissory note (the "Sixth Borough Note") in favor of Sixth Borough Partners LLC in the principal amount of $250,000. The note did not bear interest, and the principal amount was due and payable on the sixth month anniversary of the issuance date, or the date of a qualified financing event as defined in the note. As of September 30, 2026, there was no outstanding principal balance.

Peak One

On January 16, 2026, the Company issued a debenture in the principal amount of $310,000 to Peak One Opportunity Fund L.P. ("Peak One"). The debenture was sold to Peak One for a purchase price of $250,000, representing an original issue discount of approximately nineteen percent (19%). The Company paid an additional $7,500 in fees related to the issuance of this debt. The debenture was scheduled to mature twelve months from its date of issuance and bore interest at a rate of 10% per annum payable on the maturity date. The Company had the right to redeem the debenture at any time, subject to certain limitations, for an amount equal to 110% of the sum of the principal amount so redeemed plus accrued interest. Additionally, under the debenture, while any portion of the debenture remained outstanding, in the event that the Company received cash proceeds of more than $1,000,000 from the sale of securities or assets, then the holder had the right to require the Company to apply up to 50% of the gross proceeds to repay the amounts due under the debenture.

As of September 30, 2026, there was no outstanding balance.

On September 17, 2026, the Company issued a debenture in the principal amount of $310,000 to the Peak One for a purchase price of $250,000, representing an original issue discount of nineteen percent (19%). The Company paid an additional $7,500 in fees related to the issuance of this debt. The debenture matures twelve months from its date of issuance and bears interest at a rate of 10% per annum. The debenture is payable in monthly amortization payments commencing November 17, 2026 with the remaining balance payable on the maturity date. The Company has the right to redeem the debenture at any time, subject to certain limitations, for an amount equal to 110% of the sum of the principal amount so redeemed plus accrued interest. Additionally, under the debenture, while any portion of the debenture remains outstanding, in the event that the Company receives cash proceeds of more than $1,000,000 from the sale of securities or assets, then the holder has the right to require the Company to apply up to 50% of the gross proceeds to repay the amounts due under the debenture.

As of September 30, 2026, the principal balance amounted to $310,000.

RenX Enterprises Corp.
Notes to Financial Statements

For the Nine Months Ended September 30, 2026 and 2025

7. Notes Payable and Notes Payable – Related Party (cont.)

February 2026 Private Placement

On February 12, 2026, the Company entered into a securities purchase agreement (the "February 2026 Purchase Agreement") with institutional investors for the issuance and sale in a private placement transaction (the "February 2026 Private Placement") of Senior Convertible Notes ("February 2026 Notes") in the principal amounts of $1,275,000, $3,825,000 and $942,985, respectively. The February 2026 Notes are initially convertible, at the option of the holder, into an aggregate of 1,075,264 shares of the Company's common stock at a conversion price of $5.62 per share (the "February 2026 Conversion Price"). In connection with the February 2026 Private Placement, the Company also issued the purchasers warrants (collectively, the "February 2026 Warrants") to purchase an aggregate of 1,937,600 shares of common stock (which is equal to the face value of the February 2026 Notes divided by the exercise price of the February 2026 Warrants), of which (i) February 2026 Warrants to purchase 1,075,264 shares of common stock (the "First February 2026 Warrants") are exercisable immediately upon issuance and (ii) February 2026 Warrants to purchase 862,335 shares of common stock (the "Second February 2026 Warrants) could not be exercised by the purchasers unless and until stockholder approval (as set forth in the February 2026 Purchase Agreement) was obtained, which approval was obtained at the Company's 2026 Annual Meeting of Stockholders held on June 12, 2026.. The First February 2026 Warrants have a term of six years from the date of issuance and are exercisable at a price of $3.1188 per share of common stock, and the Second February 2026 Warrants have a term of six years from the date that stockholder approval was obtained and are also exercisable at a price of $3.1188 per share of common stock.

The February 2026 Private Placement closed on February 17, 2026. The net proceeds to the Company from the February 2026 Private Placement were approximately $5.4 million, after deducting placement agent fees and the payment of other offering expenses associated with the offering that were payable by the Company and excluding any deductions for make whole payments made to certain of the purchasers.

The February 2026 Notes mature 13 months from their date of issuance (subject to extension under certain circumstances), bear interest at a rate of 12% per annum, and are payable in ten monthly installments in an amount equal to 110% of (i) 1/10th of the principal of the February 2026 Notes (ii) plus accrued interest, with the first installment due and payable on the earlier of 180 days from the closing date or 90 days following the date that the February 2026 registration statement required to be filed by the Company with the SEC pursuant to the registration rights agreement entered into with the purchasers in connection with the February 2026 Private Placement is declared effective by the Securities and Exchange Commission (the "SEC"). The February 2026 Notes are unsecured and are senior to all other indebtedness of the Company and its subsidiaries, with each February 2026 Note ranking pari passu with all other February 2026 Notes.

The February 2026 Notes are convertible, at the option of the holder, at any time after the date of issuance, into that number of shares of common stock equal to the principal amount of the February 2026 Notes, plus all accrued and unpaid interest and late charges and any other unpaid amounts, at the February 2026 Conversion Price of $5.62 per share, subject to adjustment for any stock splits, stock dividends, recapitalizations and similar events. The holders of the February 2026 Notes are prohibited from converting the February 2026 Notes into shares of common stock if, as a result of such conversion, such holder, together with its affiliates, would beneficially own in excess of 4.99% (or, at the option of the holder, 9.99%) of the total number of shares of common stock issued and outstanding immediately after giving effect to such exercise.

RenX Enterprises Corp.
Notes to Financial Statements

For the Nine Months Ended September 30, 2026 and 2025

7. Notes Payable and Notes Payable – Related Party (cont.)

The February 2026 Notes are redeemable by the Company at any time, at the Company's option, in whole or in part, at a redemption price equal to 110% of the sum of the principal amount to be redeemed plus accrued interest, if any.

The February 2026 Notes contain customary events of default. If an event of default occurs, from and after the occurrence, and during the continuance of, an such event of default, the interest rate of the February 2026 Notes shall automatically increase to 18% per annum until such event of default is cured. Additionally, if an event of default occurs, the holders of outstanding February 2026 Notes may, regardless of whether such event of default has been cured, require the Company to redeem all or any portion of the outstanding February 2026 Notes at a price equal to the greater of (i) the product of (A) the value of the February 2026 Notes to be redeemed multiplied by (B) 110% and (ii) the product of (X) the value of the February 2026 Notes to be redeemed, divided by the February 2026 Conversion Price, multiplied by (Y) the product of (1) 110% multiplied by (2) the greatest closing sale price of the common stock on any trading day during the period commencing on the date immediately preceding such event of default and ending on the date the Company makes the entire payment.

In connection with the issuance and the sale of the Second April 2026 Notes in the Second Closing, as described below, $5,100,000 of the February 2026 Notes were paid, and the principal amount of the February 2026 Notes outstanding amounted to $942,985 as of September 30, 2026.

April 2026 Private Placement

On April 30, 2026, the Company entered into a securities purchase agreement (the "April 2026 Purchase Agreement") with certain institutional investors related to a tranched private placement transaction (the "April 2026 Private Placement") of Senior Convertible Notes ("April 2026 Notes") and warrants (the "April 2026 Warrants") to purchase shares of common stock as more particularly set forth below. Pursuant to the April 2026 Purchase Agreement, the Company (i) issued and sold to the purchasers, at the initial closing on May 4, 2026 (the "Initial Closing"), April 2026 Notes in the aggregate principal amount of $6,300,000 (the "Initial April 2026 Notes") and warrants (the "Initial April 2026 Warrants") to purchase an aggregate of 3,917,099 shares of common stock (which is equal to 180% of the face value of the Initial April 2026 Notes divided by $2.895 (the "Initial April 2026 Conversion Price")), (ii) agreed to issue and sell to the purchasers, at a second closing (the "Second Closing"), April 2026 Notes in the aggregate principal amount of $6,700,000 (the "Second April 2026 Notes") and Warrants (the "Second April 2026 Warrants") to purchase an aggregate of 4,165,805 shares of common stock (which is equal to 180% of the face value of the Second April 2026 Notes divided by the Initial April 2026 Conversion Price), such issuance to occur promptly after effectiveness of a registration statement (the "Initial April 2026 Registration Statement") registering the shares of common stock issuable upon conversion of the Initial April 2026 Notes (the "Initial April 2026 Conversion Shares") and the Second April 2026 Notes (the "Second April 2026 Conversion Shares"), in each case calculated based on the Initial April 2026 Conversion Price, and the shares of common stock issuable upon exercise of the Initial April 2026 Warrants (the "Initial April 2026 Warrant Shares") and the Second April 2026 Warrants (the "Second April 2026 Warrant Shares"); and (iii) agreed to sell and issue to the purchasers additional April 2026 Notes in the aggregate principal amount of up to $87,000,000 (the "Additional April 2026 Notes") and April 2026 Warrants (the "Additional April 2026 Warrants") to purchase an aggregate of 54,093,267 shares of common stock (which is equal to 180% of the principal amount of the Additional April 2026 Notes that are issued, divided by the Initial April 2026 Conversion Price (the "Additional April 2026 Warrant Shares")), such issuances of Additional April 2026 Notes and Additional April 2026 Warrants to be at additional closings (each, an "Additional Closing") from time to time as determined by the purchasers and the Company, subject to mutual consent to such sales and issuances and certain conditions being met. Pursuant to the April 2026 Purchase Agreement, the Company agreed to use the net proceeds from the April 2026 Private Placement, following the Second Closing, for the repayment of February 2026 Notes, in an amount equal to 110% of the outstanding aggregate principal amount of such February 2026 Notes. On August 26, 2026, the Company and the purchasers entered into an Amendment to Securities Purchase Agreement and Registration Rights Agreement (the "April 2026 SPA & RRA Amendment"), which amended the April 2026 Purchase Agreement to provide that: (i) the date of the Second Closing would be August 26, 2026 (the "Second Closing Date"); and (ii) on the Second Closing Date, the purchasers, severally and not jointly, shall have the right to purchase up to $6,700,000 (pro rata by initial subscription amounts with respect to the First Closing) of April 2026 Notes and April 2026 Warrants. The April 2026 SPA & RRA Amendment also amended certain terms of the registration rights agreement entered into with the purchasers.

RenX Enterprises Corp.
Notes to Financial Statements

For the Nine Months Ended September 30, 2026 and 2025

7. Notes Payable and Notes Payable – Related Party (cont.)

The Initial Closing occurred on May 4, 2026 (the "Initial Closing Date"). The net proceeds to the Company from the Initial Closing were approximately $5.7 million, after deducting placement agent fees and the payment of other offering expenses associated with the offering that were payable by the Company. The Second Closing occurred on August 26, 2026, at which the Company sold and issued the purchasers April 2026 Notes in the aggregate principal amount of $5,662,716.07 together with the April 2026 Warrants to purchase 3,520,859 shares of common stock. The net proceeds to the Company from the Second Closing were approximately $5.4 million, after deducting placement agent fees and the payment of other offering expenses associated with the offering that were payable by the Company. As required by the April 2026 Purchase Agreement, the Company utilized the net proceeds of the Second Closing to repay $5,100,000 due under the February 2026 Notes, in an amount equal to 110% of the outstanding aggregate principal amount of such February 2026 Notes.

Subject to the satisfaction of certain closing conditions, including the mutual agreement of the purchasers and us, Additional Closings for an aggregate of up to $87,000,000 may occur from time to time after the Second Closing. There can be no assurance that any Additional Closings will occur.

At the Company's 2026 Annual Meeting of Stockholders held on June 12, 2026, the Company's stockholders approved, pursuant to Nasdaq Listing Rule 5635(d), the issuance of the shares of common stock issuable upon conversion of the Initial April 2026 Notes, the Second April 2026 Notes and the Additional April 2026 Notes. The Company filed the Initial April 2026 Registration Statement with the SEC on May 15, 2026, and amended it on each of June 22, 2026 and July 13, 2026. The Initial April 2026 Registration Statement was declared effective by the SEC on August 5, 2026.

The April 2026 Notes mature 12 months from their date of issuance (subject to extension under certain circumstances, bear interest at a rate of 10% per annum, and are payable in full on the maturity date. The April 2026 Notes are unsecured and are senior to all other Indebtedness (as such term is defined in the April 2026 Notes) of the Company and its subsidiaries. The April 2026 Notes contain certain customary and other events of default. If an event of default occurs, from and after the occurrence, and during the continuance of, such an event of default, the interest rate of the April 2026 Notes shall automatically increase to 18% per annum until such event of default is cured. Additionally, if an event of default occurs, the holders of outstanding April 2026 Notes may, regardless of whether such event of default has been cured, require the Company to redeem all or any portion of the outstanding April 2026 Notes at a price equal to the greater of (i) the product of (A) the value of the April 2026 Notes to be redeemed multiplied by (B) 110% and (ii) the product of (X) the value of the April 2026 Notes to be redeemed, divided by the Initial April 2026 Conversion Price, multiplied by (Y) the product of (1) 110% multiplied by (2) the greatest closing sale price of the common stock on any trading day during the period commencing on the date immediately preceding such event of default and ending on the date the Company makes the entire payment.

The April 2026 Notes are initially convertible, at the option of the holder, at any time after the date of issuance, into that number of shares of common stock equal to the principal amount of the April 2026 Notes, plus all accrued and unpaid interest and late charges and any other unpaid amounts, at the Initial April 2026 Conversion Price of $2.895 per share, subject to adjustment for any stock splits, stock dividends, recapitalizations and similar events. As a result of the stockholder approvals obtained on June 12, 2026, commencing 120 calendar days following the Initial Closing Date (September 1, 2026), the purchasers have the right to convert their April 2026 Notes or any portion thereof into shares of common stock (an "Alternate Conversion") at a conversion price equal to the greater of (x) a floor price of $0.534 (which is equal to 20% of the Nasdaq Minimum Price applicable to the Initial April 2026 Notes) (the " April 2026 Note Floor Price") and (y) 92% of the lowest volume weighted average price in the ten trading days prior to the date of such Alternate Conversion. The holders of the April 2026 Notes are prohibited from converting the April 2026 Notes into shares of common stock if, as a result of such conversion, such holder, together with its affiliates, would beneficially own in excess of 4.99% (or, at the option of the holder, 9.99%) of the total number of shares of common stock issued and outstanding immediately after giving effect to such exercise.

RenX Enterprises Corp.
Notes to Financial Statements

For the Nine Months Ended September 30, 2026 and 2025

7. Notes Payable and Notes Payable – Related Party (cont.)

The Initial April 2026 Warrants and the Second April 2026 warrants each have a term of six years from the date of their respective issuances and are exercisable at a price of $2.67 per share of common stock (the "April 2026 Exercise Price").

The April 2026 Notes are redeemable by the Company at any time, at the Company's option, in whole or in part, at a redemption price equal to 110% of the sum of the principal amount to be redeemed plus accrued interest, if any.

During the nine months ended September 30, 2026, $883,792 in principal and accrued interest of the April 2026 Notes were converted into common stock, and the principal amount outstanding amounted to $6,080,000 as of September 30, 2026. In addition, Second April 2026 Notes in the aggregate principal amount of $6,228,988 were outstanding as of September 30, 2026.

The terms of the April 2026 Notes issued in the Initial Closing and Second Closing were amended in connection with an Additional Closing that was completed after September 30, 2026. See Note 16-Subsequent Events.

Related Party Note Exchange — Series C Convertible Preferred Stock

On June 9, 2026, the Amended and Restated Promissory Note, dated January 1, 2025, originally issued by the Company to MCS Lending, LLC, a related party, was assigned to Index Equity US, LLC, a related party (the "Index"). On June 11, 2026, the Company entered into an exchange agreement with Index, which was amended on June 15, 2026 (as amended, the " Index Exchange Agreement"), pursuant to which the Company exchanged $7,169,072 of principal and accrued interest outstanding under such note for (i) 7,169 shares of a newly designated series of Series C Convertible Preferred Stock, par value $0.001 per share "Series C Preferred Stock"), and (ii) a common stock purchase warrant to purchase up to 619,084 shares of common stock, and such note and the indebtedness evidenced thereby were cancelled. Bjarne Borg, a member of the Company's Board of Directors, is the manager of Index. The total fair value of the Series C Preferred Stock and warrants issued amounted to $9,384,199 and resulted in the Company recording a loss on exchange transaction of $2,215,127. See Note 10 — Stockholder's Equity and Note 13 — Related Party Transactions for additional information regarding the terms of the Series C Preferred Stock and the warrant.

Related Party Note Exchange — Series D Convertible Preferred Stock

On September 30, 2026, the Company entered into an exchange agreement (the "Burnham Exchange Agreement") with James D. Burnham, pursuant to which the Company exchanged $1,446,774 of principal and accrued interest outstanding under a Promissory Note, dated June 2, 2025 (the "Burnham Note"), for (i) 1,441 shares of a newly designated series of Series D Convertible Preferred Stock, par value $0.001 per share (the "Series D Preferred Stock"), and (ii) a common stock purchase warrant to purchase up to 124,438 shares of common stock, and the Burnham Note and the indebtedness evidenced thereby were cancelled. The Burnham Note was included in due to affiliates on the accompanying condensed consolidated balance sheet as of December 31, 2025. The total fair value of the Series D Preferred Stock and warrants issued amounted to $1,479,568 and resulted in the Company recording a loss on exchange transaction of $32,794. James D. Burnham serves as the Company's Director of Growth & M&A and previously served as a director on the Company's Board of Directors. See Note 10 — Stockholder's Equity and Note 13 — Related Party Transactions for additional information regarding the terms of the Series D Preferred Stock and the warrant.

RenX Enterprises Corp.
Notes to Financial Statements

For the Nine Months Ended September 30, 2026 and 2025

7. Notes Payable and Notes Payable – Related Party (cont.)

As of September 30, 2026 and December 31, 2025, notes payable consisted of the following:

	2026	2025
LV Note	$ 1,000,000	$ 1,000,000
2nd Lien Note	1,000,000	1,000,000
New BCV Loan Agreement	3,738,400	2,000,000
1800 Diagonal Notes	474,440	478,610
Cedar Cash Advance Agreement	-	427,000
Cedar April 2026 Agreement	-	-
Cedar September 2026 Agreement	50,056	
CFG Merchant Solutions	278,000	
Boot Capital Note	-	87,750
Sixth Borough Note	-	250,000
Peak One	310,000	-
Anson East Master Fund LP	5,445,000	-
Anson Investment Master Fund LP	4,642,500	-
Alto Opportunity Master Fund, SPC	3,164,473	-
Member Note (related party) - $480,000 in principal amount of unsecured 6% promissory notes due on the first anniversary of the closing of the Resource Group acquisition closing	480,000	480,000
Gail Baird Foundation – Mortgage note payable with an original principal amount of $2,500,000 dated October 23, 2023 with a maturity date of April 21, 2025 and interest rate of 14% per annum plus an exit fee equal to 2% of outstanding principal at the time of payoff. Guaranteed by a former member of Resource Group, collateralized by land held by the Company and the entire principal balance due upon maturity. Despite the fact that the principal and accrued interest were not paid upon maturity, the lender has not declared the note in default and we continue to pay standard interest thereon	2,500,000	2,410,000
CCG Loan1 – Note payable with an original principal amount of $389,469 dated July 12, 2022 with a maturity date of April 12, 2026, interest rate of 10.89% per annum, secured by underlying equipment and monthly payments of principal and interest.	-	38,362
CCG Loan 2 – Note payable with an original principal amount of $507,935 dated August 26, 2022 with a maturity date of May 26, 2026, interest rate of 11.18% per annum, secured by underlying equipment and monthly payments of principal and interest.	-	62,506
CCG Loan 3 – Note payable with an original principal amount of $428,446 dated October 13, 2023 with a maturity date of August 13, 2027, interest rate of 12.4% per annum, secured by underlying equipment and monthly payments of principal and interest.	115,553	200,706
CCG Loan 4 – Note payable with an original principal amount of $1,235,882 dated December 16, 2025 with a maturity date of December 16, 2029, interest rate of 12.50% per annum, secured by underlying equipment and monthly payments of principal and interest.	823,706	970,416
CCG Loan 5 – Note payable with an original principal amount of $860,995 dated December 16, 2025 with a maturity date of December 16, 2029, interest rate of 12.4% per annum, secured by underlying equipment and monthly payments of principal and interest.	565,309	665,995
John Deere Equipment – Note payable with an original principal amount of $91,778 dated March 4, 2022 with a maturity date of March 4, 2026, no interest and monthly principal payments.	-	3,824
Loeb – Note payable with an original principal amount of $3,196,215 dated September 7, 2023 with a maturity date of September 7, 2027, interest rate of 15.5% per annum during 2023 and 14.5% per annum during 2024 and forward, secured by underlying equipment and monthly payments of principal and interest with $1,796,979 due upon maturity.	1,901,439	2,167,994

RenX Enterprises Corp.
Notes to Financial Statements

For the Nine Months Ended September 30, 2026 and 2025

7. Notes Payable and Notes Payable – Related Party (cont.)

Index Loan 2 (related party) – Note payable dated November 8, 2022 due on demand and interest rate of 11.5% per annum.	31,749	31,749
MCS (related party) – Note payable with an original principal amount of $5,050,517 dated January 31, 2023 with a maturity date of January 31, 2027, interest rate of 12.5% per annum, with the entire principal amount due upon maturity.	-	5,050,517
ZEI Seller Loan – Note payable with an original principal amount of $750,000 dated March 21, 2022 with an original maturity date of April 30, 2025 and interest rate of 7% per annum and entire principal balance due upon maturity.	-	50,000
Moorback 6600 STA – Note payable with an original principal amount of $312,350 dated January 31, 2024 with a maturity date of February 28, 2029, interest rate of 12.89% per annum, secured by underlying equipment and monthly payments of principal and interest.	174,895	220,850
Blending Line STA – Note payable with an original principal amount of $94,605 dated February 1, 2024 with a maturity date of March 5, 2029, interest rate of 12.89% per annum, secured by underlying equipment and monthly payments of principal and interest.	52,971	66,890
911 Grapple Truck – Note payable with an original principal amount of $305,985 dated September 1, 2024 with a maturity date of August 30, 2029, interest rate of 7.74% per annum, secured by underlying equipment and monthly payments of principal and interest.	197,532	240,175
Ford T350 – Note payable with an original principal amount of $39,066 dated October 1, 2024 with a maturity date of September 30, 2029, interest rate of 9% per annum, secured by underlying equipment and monthly payments of principal and interest.	29,255	35,169
Allegiant Partners Incorporated - Note payable with an original principal amount of $425,800 dated October 17, 2025 with a maturity date of October 25, 2030, interest rate of 11.26% per annum, secured by underlying equipment and monthly payments of principal and interest.	364,485	415,115
John Deere Equipment 2 - Note payable with an original principal amount of $256,402 dated December 10, 2025 with a maturity date of November 10, 2029, interest rate of 0.0% per annum, secured by underlying equipment and monthly payments of principal and interest.	202,985	245,719
John Deere Equipment 3 - Note payable with an original principal amount of $368,317 dated December 10, 2025 with a maturity date of November 10, 2029, interest rate of 0.0% per annum, secured by underlying equipment and monthly payments of principal and interest.	291,584	360,644
John Deere Equipment 4 - Note payable with an original principal amount of $306,239 dated December 19, 2025 with a maturity date of December 19, 2029, interest rate of 0.0% per annum, secured by underlying equipment and monthly payments of principal and interest.	248,819	306,239
John Deere Equipment 5 - Note payable with an original principal amount of $333,374 dated February 26, 2026 with a maturity date of February 26, 2031, interest rate of 2.5% per annum, secured by underlying equipment and monthly payments of principal and interest.	296,570	-
First Insurance Funding – Note payable with an original principal amount of $181,423 dated January 1, 2026 with a maturity date of November 1, 2026, interest rate of 8.2% per annum, representing the financing of insurance premiums, with monthly payments of principal and interest.	35,407	-
First Insurance Funding 2 – Note payable with an original principal amount of $101,329 dated February 25, 2026 with a maturity date of September 1, 2026, interest rate of 7.5% per annum, representing the financing of insurance premiums, with monthly payments of principal and interest.	12,666	-
First Insurance Funding 3– Note payable with an original principal amount of $15,701 dated February 15, 2026 with a maturity date of October 15, 2026, interest rate of 7.5% per annum, representing the financing of insurance premiums, with monthly payments of principal and interest.	15,375	-
First Insurance Funding 4 - Note payable with an original principal amount of $19,880 dated September 17, 2026 with a aturity date of September 17, 2027, interest rate of 7.7% per annum, representing the financing insurance premiums, with monthly payments of principal and interest.	19,881	-
Cedar Advance - Cash advance agreement dates August 11, 2026 with a maturity date of February 2027 and weekly estimated payments of $18,347.	718,876	-

RenX Enterprises Corp.
Notes to Financial Statements

For the Nine Months Ended September 30, 2026 and 2025

7. Notes Payable and Notes Payable – Related Party (cont.)

MCA2-Unique Funding Solutions - Cash advance agreement dated May 6, 2025 with a maturity date of November 13, 2025 and weekly estimated payments of $22,192.	-	124,229
MCA3-CFG Merchant Solutions - Cash advance agreement dated June 20, 2025 with a maturity date of May 13, 2026 and weekly estimated payments of $17,443.	351,163	595,465
BMO Note payable – Note payable with an original principal amount of $861,485 dated August 22, 2022 with a maturity date of September 30, 2028, interest rate of 6.35% per annum, secured by underlying equipment and monthly payments of principal and interest.	321,784	433,512
Huntington Note Payable – Note payable with an original amount of $317,571 dated December 23, 2022 with a maturity date of December 31, 2028, interest rate of 7.29% per annum, secured by underlying equipment and monthly payments of principal and interest.	135,551	175,925
Xerox Copier Note Payable – Note payable with an original amount of $10,423 dated July 1, 2020 with a maturity date of September 30, 2025, interest rate of 4% per annum, secured by underlying equipment and monthly payments of principal and interest	-	1,626
PNC Equipment Finance – Note payable with an original amount of $158,429 dated December 27, 2022 with a maturity date of January 31, 2029, interest rate of 8% per annum, secured by underlying equipment and monthly payments of principal and interest.	70,724	90,805
SMFL Note Payable – Note payable with an original amount of $357,260 dated December 27, 2022 with a maturity date of January 31, 2029, no interest, secured by underlying equipment and monthly payments of principal and interest.	122,623	178,630
Verdant – Note payable with an original amount of $496,993 dated September 18, 2022 with a maturity date of October 16, 2027, interest rate of 6.67% per annum, secured by underlying equipment and monthly payments of principal and interest	141,300	132,909
MCA3-CFG Merchant Solutions - Cash advance agreement dated March 21, 2025 with a maturity date of January 21, 2026 and weekly estimated payments of $18,818.	283,465	256,807
MCA4 - Cedar Advance- Cash advance agreement dated June 16, 2025 with a maturity date of December 16, 2026 and weekly estimated payments of $6,000.	-	91,800
International HZ620 Loan - Note payable with an original principal amount of $173,370 dated July 29, 2025 with a maturity date of July 29, 2031, 7.71% interest and monthly principal payments.	145,607	163,715
First Insurance Funding – ZEI - Note payable with an original principal amount of $601,417 dated May 9, 2026 with a maturity date of March 9, 2027, interest rate of 7.25% per annum, representing the financing of insurance premiums, with monthly payments of principal and interest.	415,250	-
Total	31,169,393	21,511,653
Less: debt discount and debt issuance costs	(7,143,956)	(749,450)
Total debt	24,025,437	20,762,203
Less: current maturities, net	(21,083,357)	(12,518,525)
Long-term debt, net	$ 2,942,080	$ 8,243,678

RenX Enterprises Corp.
Notes to Financial Statements

For the Nine Months Ended September 30, 2026 and 2025

7. Notes Payable and Notes Payable – Related Party (cont.)

Scheduled maturities of notes payable is as follows for the succeeding years:

2026 (remaining)	$	2,946,441
2027		22,502,365
2028		3,790,697
2029		891,946
2030		309,415
Thereafter		728,529
		31,169,393
Less: debt discount and debt issuance costs		(7,143,956)
Total debt		24,025,437
Less: current maturities		(21,083,357)
Long-term debt, net	$	2,942,080

For the three months ended September 30, 2026 and 2025, the Company recognized amortization of debt issuance costs and debt discount of $4,142,583 and $653,822, respectively, on all debt outstanding. For the nine months ended September 30, 2026 and 2025, the Company recognized amortization of debt issuance costs and debt discount of $6,106,162 and $1,591,345, respectively, on all debt outstanding. As of September 30, 2026, the unamortized debt issuance costs and discount amounted to $7,143,956.

8. Business Combination and Acquisition of Assets

On June 2, 2025, the Company completed the acquisition of Resource Group. Pursuant to the Amendment, the purchase price for the membership interests of Resource Group was amended to be comprised of (i) $480,000 in principal amount of unsecured 6% promissory notes due on the first anniversary of the closing, (ii) the issuance of restricted shares of the Company's common stock (the "Closing Shares") equal to 19.99% of the Company's outstanding shares of common stock on the date the Resource Group acquisition was executed, which amounted to 18,841 shares of common stock; (iii) 1,500,000 shares of non-voting Series A Convertible Preferred Stock (the "Series A Preferred Stock") which was convertible into 450,000 restricted shares of the Company's common stock, and (iv) an aggregate of 2,059 additional shares of Company common stock post-closing. In accordance with ASC 805, the Resource Group acquisition is accounted for as a business combination. The Resource Group acquisition was made for the purpose of primarily shifting the Company's future business.

The purchase consideration amounted to:

Note payable	$	480,000
Equity compensation		9,232,582
	$	9,712,582

RenX Enterprises Corp.
Notes to Financial Statements

For the Nine Months Ended September 30, 2026 and 2025

8. Business Combination and Acquisition of Assets (cont.)

The total equity compensation was valued as follows: common stock at the closing price upon acquisition which amounted to $452,182, and the Series A Preferred Stock at a value of $8,780,400 which was calculated at the estimated conversion price of the common stock with a discount for lack of marketability in the amount of 18.7% based upon a Black-Scholes Value method.

The following table summarizes the allocation of the purchase price to the assets acquired and liabilities assumed for the Resource Group Acquisition:

Cash and cash equivalents	$	309,557
Accounts receivable		927,807
Inventory		949,670
Prepaid expenses and other current assets		47,352
Land		1,500,000
Property and equipment		9,220,199
Intangible assets and goodwill		18,066,933
Right of use assets		319,468
Accounts payable and accrued expenses		(3,263,930)
Due to affiliates		(2,311,180)
Notes payable		(14,435,721)
Operating lease liabilities		(339,767)
Finance lease liabilities		(1,277,806)
	$	9,712,582

The following unaudited pro forma consolidated results of operations for the three months ended September 30, 2025 assume the acquisition Resource Group was completed on January 1, 2024:

		For the Three Months Ended September 30, 2025
		(Unaudited)
Pro-forma total revenues	$	3,515,708
Pro-forma net loss	$	(4,350,321)

RenX Enterprises Corp.
Notes to Financial Statements

For the Nine Months Ended September 30, 2026 and 2025

8. Business Combination and Acquisition of Assets (cont.)

The following unaudited pro forma consolidated results of operations for the nine months ended September 30, 2025 assume the acquisition Resource Group was completed on January 1, 2024:

	For the Nine Months Ended September 30, 2025
	(Unaudited)
Pro-forma total revenues	$ 14,651,756
Pro-forma net loss	$ (13,331,156)

9. Net Loss Per Share

Basic net loss per share is computed by dividing the net loss for the period by the weighted average number of common shares outstanding during the period. Diluted net loss per share is computed by dividing the net loss for the period by the weighted average number of common and potentially dilutive common shares outstanding during the period. Potentially dilutive common shares consist of the common shares issuable upon the exercise of warrants, preferred stock, and outstanding convertible debt. Potentially dilutive common shares are excluded from the calculation if their effect is antidilutive.

At September 30, 2026, there were warrants to purchase 10,017,189 shares of common stock, preferred stock convertible into 2,983,724 shares of common stock, and convertible debt that is initially convertible into 4,223,997 shares of common stock outstanding that could potentially dilute future net loss per share.

10. Stockholders' Equity

As of September 30, 2026, the Company had 3,244,285 shares of common stock issued and 3,236,102 shares outstanding.

During the nine months ended September 30, 2026, the Company issued 135,107 shares of common stock pursuant to cashless warrant exercises.

During the nine months ended September 30, 2026, the Company issued 90,000 shares of common stock for services, with a total value of $221,558, determined based on the closing stock price of the Company's common stock as of the date of grant.

During the nine months ended September 30, 2026, the Company forgave $490,000 of related party debt which has been recorded as an increase to additional paid in capital.

During the nine months ended September 30, 2026, the Company issued warrants to purchase 9,375,558 shares of common stock in connection with debt issuances which had a value of $9,640,629, which represented the relative fair value of the warrants issued in conjunction with the debt.

During the nine months ended September 30, 2026, in connection with the Index Exchange Agreement, the Company issued (i) 7,169 shares of a newly designated series of Series C Preferred Stock and (ii) a common stock purchase warrant to purchase up to 619,084 shares of common stock. The total fair value of the Series C Preferred Stock and warrants issued amounted to $9,384,199 and resulted in the Company recording a loss on exchange transaction of $2,215,127. The fair value of the preferred shares was measured using a Monte Carlo valuation model and the fair value of the warrants issued was measured using a Black-Scholes Value model.

During the nine months ended September 30, 2026, the Company issued 597,360 shares of common stock upon the conversion of outstanding notes payable. The conversions were made within the terms of the underlying agreements, and no gain or loss has been recorded.

During the nine months ended September 30, 2026, in connection with the Burnham Exchange Agreement, the Company issued (i) 1,441 shares of a newly designated series of Series D Preferred Stock and (ii) a common stock purchase warrant to purchase up to 124,438 shares of common stock. The total fair value of the Series D Preferred Stock and warrants issued amounted to $1,479,568 and resulted in the Company recording a loss on exchange transaction of $32,794. The fair value of the preferred shares was measured using a Monte Carlo valuation model and the fair value of the warrants issued was measured using a Black-Scholes Value model.

RenX Enterprises Corp.
Notes to Financial Statements

For the Nine Months Ended September 30, 2026 and 2025

10. Stockholders' Equity (cont.)

October Private Placement Agreement

On October 16, 2025, the Company entered into a securities purchase agreement (the "October Purchase Agreement") with institutional investors for the issuance and sale in a private placement transaction (the "October Private Placement") of 360,000 shares of a newly designated series of Series B Non-Voting Convertible Preferred Stock (the "Series B Preferred Stock") convertible at an initial conversion price of $27.20 per share into 330,882 shares of common stock and common warrants (the "October Warrants") to purchase up to 330,882 shares of common stock, exercisable at an initial exercise price of $27.20 per share, subject, among other things, to adjustment, stockholder approval and certain beneficial ownership limitations set by each holder, for a combined purchase price of $25.00 for each share of Series B Preferred Stock and accompanying October Warrants, which pricing was designed to be in accordance with the Nasdaq Minimum Price requirement. The October Private Placement closed on October 17, 2025. The net proceeds to the Company from the Private Placement were approximately $8 million, after deducting placement agent fees and the payment of other offering expenses associated with the offering that were payable by the Company.

During the nine months ended September 30, 2026, 327,261 shares of Series B Preferred Stock were converted into common stock, within the original terms and no gain or loss was recorded. Additionally, during the nine months ended September 30, 2026, the Company issued 135,107 shares of common stock from the exercise of October Warrants.

Additionally, the Company recorded a derivative liability associated with certain embedded features in the Series B Preferred Stock. These instruments were classified as liabilities at fair value in accordance with ASC 815 due to their settlement provisions and other contractual terms. See below for a description of the terms of the Series B Preferred Stock. The Company measured its bifurcated embedded derivative liability at fair value on a recurring basis using level 3 inputs. These financial instruments are measured using management's best estimate of fair value, where the inputs into the determination of fair value require significant management judgment to estimation. The derivative liability was measured using a Monte Carlo valuation model. Valuations based on unobservable inputs are highly subjective and require significant judgments. Changes in such judgments could have a material impact on fair value estimates. The initial amount of the derivative liability amounted to $3,631,210 and has been recorded as deemed dividend to the preferred shareholders.

Preferred Shares

Series A Preferred Stock – During the nine months ended September 30, 2026, 908,431 shares of Series A Preferred stock were converted into 272,534 shares of common stock, within the original terms and no gain or loss was recorded. As of September 30, 2026, the Company had 30,416 shares of Series A Preferred stock issued and outstanding. The holders of Series A Preferred Stock are not entitled to receive any dividends or distributions. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company, the holders of shares of Series A Preferred Stock are entitled to be paid, with respect to each share of Series A Preferred Stock then outstanding held by the holder, out of the assets of the Company available for distribution to its stockholders, before any payment shall be made to the holders of common stock by reason of their ownership thereof, an amount in cash per share of Series A Preferred Stock equal to the stated value (the amount payable pursuant to this sentence is hereinafter referred to as the "Series A Preferred Liquidation Value"). After payment of the Series A Preferred Liquidation Value as set forth above, the shares of Series A Preferred Stock shall no longer be deemed to be outstanding and the holders thereof shall have no further rights as holders of Series A Preferred Stock. Except as otherwise required by law, the Series A Preferred Stock shall have no voting rights; provided, however, as long as any shares of Series A Preferred Stock are outstanding, the Company shall not, without the affirmative vote of the holders of a majority of the then outstanding shares of Series A Preferred Stock, alter or change adversely the powers, preferences or rights given to the Series A Preferred Stock or alter or amend the Certificate of Designation for the Series A Preferred Stock. Subject to, and following, the approval by the Company's stockholders of the issuance of the Company's common stock upon the conversion of the Series A Preferred Stock, each share of Series A Preferred Stock shall thereafter be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into six (6) fully paid and nonassessable shares of common stock (the "Series A Preferred Conversion Ratio") (0.30 per share). Shares of Series A Preferred Stock may not be redeemed by the Company absent the consent of the holder thereof. Redeemed shares of Series A Preferred Stock shall return to the status of and constitute authorized but unissued shares of preferred stock, without classification as to series until such shares are once more classified as a particular series by the Board of Directors pursuant to the provisions of the Company's certificate of incorporation.

RenX Enterprises Corp.
Notes to Financial Statements

For the Nine Months Ended September 30, 2026 and 2025

10. Stockholders' Equity (cont.)

Series B Preferred Stock - As of September 30, 2026, the Company had 550 shares of preferred Series B stock issued and outstanding. Holders of shares of Series B Preferred Stock are entitled to receive, and the Company is obligated to pay, but only out of any funds legally available for the declaration of dividends, annual non-compounding dividends payable at the rate per share (as a percentage of the stated value per share of Series B Preferred Stock) of 9% per annum. Dividends on shares of Series B Preferred Stock accrue and are cumulative from the issuance date and accrue from day to day thereafter for so long as Series B Preferred Stock is outstanding. Dividends may be declared and paid on Series B Preferred Stock when and as determined by the Board of Directors of the Company out of any funds legally available for such purpose. Dividends are payable (i) on each conversion date (with respect only to Series B Preferred Stock being converted), (ii) on each such other date as the Board of Directors of the Company may determine; (iii) upon liquidation and (iv) upon occurrence of a fundamental transaction, in cash or, solely in the event of (i) above, in cash or in duly authorized, validly issued, fully paid and non-assessable shares of common stock (as determined by the Company), (the amount to be paid in shares of common stock, the "Dividend Share Amount Payment"); *provided, however*, that upon the conversion of Series B Preferred Stock prior to the Mandatory Conversion Date (as defined in the Certificate of Designation for the Series B Preferred Stock), the Company shall also pay to the holders of Series B Preferred Stock so converted, an amount equal to the Make-Whole Amount (as defined in the Certificate of Designation for the Series B Preferred Stock), less the amount of all prior dividends made on such converted Series B Preferred Stock before the relevant conversion date (the "Make-Whole Payment"), payable at the option of the Company, in cash or in duly authorized, validly issued, fully paid and non-assessable shares of common stock. With respect to any Dividend Share Amount Payments and Make-Whole Payments paid in shares of common stock, the number of shares of common stock to be issued to a holder shall be an amount equal to the quotient of (x) the amount of the Dividend Shares Amount and Make-Whole Payment payable to such holder divided by (y) the lower of (a) the conversion price then in effect and (b) the VWAP on the trading day prior to the applicable conversion date (the lower of (a) and (b), the "Dividend Conversion Price"), provided that the Dividend Conversion Price shall not be less than the floor price set forth in the Series B Certificate of Designations (the "Series B Preferred Floor Price"). If the Dividend Conversion Price is lower than the Series B Preferred Floor Price and the Company elects to pay the Dividend Share Amount Payment and Make-Whole Payment in shares of common stock, in addition to the number of shares of common stock payable calculated using the Series B Preferred Floor Price, the Company shall pay the holder an amount in cash equal to the product of (A) any bid price selected by holder for the Company's common stock as published on Bloomberg within one hour preceding the submission of the conversion notice by the holder, and (B) the difference obtained by subtracting (1) the quotient obtained by dividing (a) the amount of the dividend payable to such holder by (b) the Series B Preferred Floor Price, from (2) the quotient obtained by dividing (x) the amount of the dividend payable to such holder by (y) the Dividend Conversion Price without giving effect to the Series B Preferred Floor Price. As previously disclosed, the Make-Whole Payment has been determined to be a derivative liability.

Upon liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, each holder shall be entitled to receive the amount of cash, securities or other property to which such holder would be entitled to receive with respect to such shares of Series B Preferred Stock if such shares had been converted to common stock immediately prior to such liquidation (without giving effect for such purposes to the applicable beneficial ownership limitations), subject to the preferential rights of holders of any class or series of capital stock of the Company specifically ranking by its terms senior to the Series B Preferred Stock as to distributions of assets upon liquidation, dissolution or winding up of the Company, whether voluntarily or involuntarily.

RenX Enterprises Corp.
Notes to Financial Statements

For the Nine Months Ended September 30, 2026 and 2025

10. Stockholders' Equity (cont.)

Except as otherwise provided by the Certificate of Designation of the Series B Preferred Stock, or as otherwise required by the law, the Series B Preferred Stock shall have no voting rights. However, as long as any shares of Series B Preferred Stock are outstanding, the Company shall not, without the affirmative vote of the holders of a majority of the then outstanding shares of the Series B Preferred Stock, (a) alter or change adversely the powers, preferences or rights given to the Series B Preferred Stock or alter or amend the Certificate of Designation of the Series B Preferred Stock, (b) authorize or create any class of stock ranking as to dividends, redemption or distribution of assets upon a liquidation senior to, or otherwise pari passu with, the Series Preferred Stock, (c) amend its certificate of incorporation or other charter documents in any manner that adversely affects any rights of the holders, (d) increase the number of authorized shares of Series B Preferred Stock, or (e) enter into any agreement with respect to any of the foregoing.

On the mandatory conversion date, which is the five year anniversary of the issuance date (the "Series B Preferred Mandatory Conversion Date"), all outstanding shares of Series B Preferred Stock and, to the extent that the Company elects to pay dividends in shares of common stock, all accrued but unpaid dividends thereon through and including the Series B Preferred Mandatory Conversion Date shall be automatically converted into shares of common stock at the conversion price of $27.20; provided, however, that to the extent that an automatic conversion would result in a holder and its affiliates exceeding the applicable beneficial ownership limitation, if applicable, then such holder's Series B Preferred Stock shall not be automatically converted into common stock and shall remain outstanding, and the shares of common stock issuable upon the automatic conversion of Series B Preferred Stock to such extent shall be held in abeyance for such holder until such time or times as conversion of such Series B Preferred Stock would not result in such holder and its affiliates exceeding the beneficial ownership limitation.

Each share of Series B Preferred Stock shall be convertible, at any time and from time to time from and after the issuance date through the Series B Preferred Mandatory Conversion Date, at the option of the holder thereof, into a number of shares of common stock (subject to certain limitations) equal to the sum of (A) the quotient of (i) the aggregate stated value of those shares being converted, divided by (ii) the applicable conversion price, plus (B) to the extent that the Company elects to pay the Dividend Share Amount Payment and Make-Whole Payment in shares of common stock, the quotient of (X) the sum of all accrued but unpaid dividends thereon plus the Make-Whole Payment, divided by (Y) the Dividend Conversion Price. Holders shall effect conversions by providing the Corporation with the form of Notice of Conversion.

Series C Preferred Stock - As of September 30, 2026, the Company had 7,169 shares of Series C Preferred Stock issued and outstanding with a stated value of $1,000 per share. Dividends accrue on outstanding shares of Series C Preferred Stock at the rate of 8% per annum, compounding quarterly and, if dividends are not paid in cash, the rate increases to 9% per annum. Dividends may be paid in cash from any funds legally available for the declaration of dividends, in additional shares of Series C Preferred Stock, or by increasing the stated value on the Company's books by the amount of the dividend. Dividends are payable as and when the Board of Directors of the Company may determine, upon liquidation and upon occurrence of a Fundamental Transaction (as such term is defined in the Certificate of Designation of the Series C Preferred Stock).

In the event of the liquidation, dissolution or winding-up of the Company, whether voluntarily or involuntarily, the holders of shares of Series C Preferred Stock will be entitled to receive an amount in cash per share of Series C Preferred Stock equal to 150% of the stated value of such shares prior and in preference to holders of shares of common stock and pari passu with the Company's Series A Preferred Stock and Series B Preferred Stock.

RenX Enterprises Corp.
Notes to Financial Statements

For the Nine Months Ended September 30, 2026 and 2025

10. Stockholders' Equity (cont.)

Each share of Series C Preferred Stock is initially convertible, at the option of the holder thereof, at any time after the Company receives stockholder approval of the conversion thereof, at an initial conversion price of $2.895 per share. The conversion price is subject to standard proportional adjustment for stock dividends, stock splits or similar events, subject to a floor price of $1.50 (the "Series C Preferred Floor Price"). The conversion price is also subject to the full-ratchet style adjustment for dilutive issuances, subject to the Series C Preferred Floor Price and with exempt issuances (as specified in the Certificate of Designations for the Series C Preferred Stock) carved out. If a holder elects to convert following a dilutive issuance that causes the conversion price to be less than the Series C Preferred Floor Price, then the holder would receive the number of shares of common stock based upon the Series C Preferred Floor Price plus a cash true-up. Holders of shares of the Series C Preferred Stock are prohibited from converting shares of Series C Preferred Stock into shares of common stock if, as a result of such conversion, such holder, together with its affiliates, would beneficially own in excess of 4.99% of the total number of shares of common stock issued and outstanding immediately after giving effect to such conversion, subject to adjustment by the holder to up to 19.99% of the total number of shares of common stock issued and outstanding immediately after giving effect to such conversion upon 61 days' prior notice.

The Certificate of Designation provides that holders of shares of Series C Preferred Stock are entitled to vote on an as-converted basis, based on the initial conversion price of $2.895 per share (disregarding any subsequent adjustments that may be made to the conversion price), alongside holders of common stock as a single class, subject to certain limitations. The Company and Index have contractually agreed that for voting purposes, the number of whole shares of Common Stock into which the shares of Series C Convertible Preferred Stock held are then convertible, the adjustment provisions for dilutive issuances shall be disregarded. In addition, as long as any shares of Series C Preferred Stock are outstanding, the Company will not, without the affirmative vote of the holders of a majority of the then outstanding shares of Series C Preferred Stock, alter or change adversely the powers, preferences or rights given to the Series C Preferred Stock or alter or amend the Certificate of Designation of the Series C Preferred Stock, authorize or create any class of stock ranking as to dividends, redemption or distribution of assets upon a liquidation senior to, or otherwise pari passu with, the Series C Preferred Stock, amend its certificate of incorporation in any manner that adversely affects any rights of the holders of Series C Preferred Stock, increase the number of authorized shares of Series C Preferred Stock, declare dividends on or redeem junior securities while accrued dividends remain unpaid, enter into affiliate transactions exceeding $1 million without disinterested director approval or enter into any agreement with respect to any of the foregoing.

The Certificate of Designation provides that holders of Series C Preferred Stock are entitled to redeem their shares after three years at a redemption price equal to 110% of the stated value of such shares, plus accrued and unpaid dividends However, the Company and Index have contractually agreed that redemptions by Index are prohibited.. The Company may redeem all or part of the Series C Preferred Stock at any time after the 24-month anniversary of the issuance date by giving the holder at least 30 days' written notice. The buyback price depends on timing: 115% of stated value if redeemed between the 24-month and 36-month anniversaries, and 110% of stated value after the 36-month anniversary, in each case plus accrued and unpaid dividends. In addition, in the event the Company enters into a transaction which results in a change of control of 50% or more of its then outstanding shares of common stock on a fully diluted basis, sells substantially all its assets, or effects a "going-private" transaction such that it is no longer a publicly reporting company, a holder of shares of Series C Preferred Stock will be entitled to redeem its shares at a redemption price equal to the greater of (i) the stated value of such shares, plus all accrued and unpaid dividends or (ii) the as-converted market value of the shares of common stock issuable upon conversion of the shares of Series C Preferred Stock based on the average of the last closing price of the common stock during the five trading days preceding the date of the holder's redemption notice.

If a Fundamental Transaction (as such term is defined in the Certificate of Designation) occurs, then, upon any subsequent conversion of the Series C Preferred Stock effected within two business days following the date that the Company announces that the Fundamental Transaction has occurred, the holders of shares of Series C Preferred Stock shall have the right to receive, in lieu of the right to receive shares of common stock, for each share of common stock that would have been issuable upon such conversion immediately prior to the occurrence of such Fundamental Transaction, the same kind and amount of securities, cash or property as it would have been entitled to receive upon the occurrence of such Fundamental Transaction if it had been, immediately prior to such Fundamental Transaction, the holder of one share of common stock.

Series D Preferred Stock - As of September 30, 2026, the Company had 1,441 shares of Series D Preferred Stock issued and outstanding with a stated value of $1,000 per share. Dividends accrue on outstanding shares of Series D Preferred Stock at the rate of 8% per annum, compounding quarterly and accruing day to day and, if dividends are not paid in cash, the rate increases to 9% per annum. Dividends may be paid in cash from any funds legally available for the declaration of dividends, in additional shares of Series D Preferred Stock, or by increasing the stated value on the Company's books by the amount of the dividend. Dividends are payable as and when the Board of Directors of the Company may determine, upon liquidation and upon occurrence of a Fundamental Transaction (as such term is defined in the Certificate of Designation of the Series D Preferred Stock).

In the event of the liquidation, dissolution or winding-up of the Company, whether voluntarily or involuntarily, the holders of shares of Series D Preferred Stock will be entitled to receive an amount in cash per share of Series D Preferred Stock equal to 150% of the stated value of such shares prior and in preference to holders of shares of common stock and pari passu with the Company's Series A Preferred Stock, Series B Preferred Stock and Series C Preferred Stock.

Each share of Series D Preferred Stock is initially convertible, at the option of the holder thereof, at any time after the Company receives stockholder approval of the conversion thereof, at an initial conversion price of $2.895 per share. The conversion price is subject to standard proportional adjustment for stock dividends, stock splits or similar events, subject to a floor price of $1.50 (the "Series D Preferred Floor Price"). The conversion price is also subject to the full-ratchet style adjustment for dilutive issuances, subject to the Series D Preferred Floor Price and with exempt issuances (as specified in the Certificate of Designations for the Series D Preferred Stock) carved out. If a holder elects to convert following a dilutive issuance that causes the conversion price to be less than the Series D Preferred Floor Price, then the holder would receive the number of shares of common stock based upon the Series D Preferred Floor Price plus a cash true-up. Holders of shares of the Series D Preferred Stock are prohibited from converting shares of Series D Preferred Stock into shares of common stock if, as a result of such conversion, such holder, together with its affiliates, would beneficially own in excess of 4.99% of the total number of shares of common stock issued and outstanding immediately after giving effect to such conversion, subject to adjustment by the holder to up to 19.99% of the total number of shares of common stock issued and outstanding immediately after giving effect to such conversion upon 61 days' prior notice.

The Certificate of Designation provides that holders of shares of Series D Preferred Stock are entitled to vote on an as-converted basis, based on the initial conversion price of $2.895 per share (disregarding any subsequent adjustments that may be made to the conversion price), alongside holders of common stock as a single class, subject to certain limitations and Nasdaq rules. In addition, as long as any shares of Series D Preferred Stock are outstanding, the Company will not, without the affirmative vote of the holders of a majority of the then outstanding shares of Series D Preferred Stock, alter or change adversely the powers, preferences or rights given to the Series D Preferred Stock or alter or amend the Certificate of Designation of the Series D Preferred Stock, authorize or create any class of stock ranking as to dividends, redemption or distribution of assets upon a liquidation senior to, or otherwise pari passu with, the Series D Preferred Stock, amend its certificate of incorporation in any manner that adversely affects any rights of the holders of Series D Preferred Stock, increase the number of authorized shares of Series D Preferred Stock, declare dividends on or redeem junior securities while accrued dividends remain unpaid, enter into affiliate transactions exceeding $1 million without disinterested director approval or enter into any agreement with respect to any of the foregoing.

The Company may redeem all or part of the Series D Preferred Stock at any time after the 24-month anniversary of the issuance date by giving the holder at least 30 days' written notice. The buyback price depends on timing: 115% of stated value if redeemed between the 24-month and 36-month anniversaries, and 110% of stated value after the 36-month anniversary, in each case plus accrued and unpaid dividends.

If a Fundamental Transaction (as such term is defined in the Certificate of Designation) occurs, then, upon any subsequent conversion of the Series D Preferred Stock effected within two business days following the date that the Company announces that the Fundamental Transaction has occurred, the holders of shares of Series D Preferred Stock shall have the right to receive, in lieu of the right to receive shares of common stock, for each share of common stock that would have been issuable upon such conversion immediately prior to the occurrence of such Fundamental Transaction, the same kind and amount of securities, cash or property as it would have been entitled to receive upon the occurrence of such Fundamental Transaction if it had been, immediately prior to such Fundamental Transaction, the holder of one share of common stock.

RenX Enterprises Corp.
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For the Nine Months Ended September 30, 2026 and 2025

10. Stockholders' Equity (cont.)

Warrants

In conjunction with the issuance of debentures issued in February and March 2024 to Peak One , the Company issued warrants to purchase an aggregate of 626 shares of common stock. The warrants each expire five years from their respective date of issuance. The warrants are each exercisable, at the option of the holder, at any time, at an exercise price equal to $1,012.00 per share, subject to adjustment for any stock splits, stock dividends, recapitulations, and similar events, as well as anti-dilution price protection provisions that are subject to a floor price of $156.00. The initial fair value of the Peak Warrants amounted to an aggregate of $124,363 and was recorded as a debt discount at the time of issuance of the debentures, as applicable. The fair value was calculated using a Black-Scholes Value model, with the following assumptions.

Risk-free interest rate	4.22%
Contractual term (years)	5
Dividend yield	0%
Expected volatility	131%

In conjunction with the issuance of additional debentures issued to Peak One in April and May 2024, the Company issued warrants to purchase an aggregate of 1,313. The warrants each expire five years from their respective date of issuance. The warrants are exercisable, at the option of the holder, at any time, at an exercise price equal to $260.00 per share (in the case of the April 2024 warrants) and $304.00 per share (in the case of the May 2024 warrants), subject to adjustment for any stock splits, stock dividends, recapitalizations, and similar events, as well as anti-dilution price protection provisions that are subject to a floor price of $156.00). The initial fair value of warrants amounted to an aggregate of $188,074 and was recorded as a debt discount at the time of issuance of the debentures, as applicable. The fair value was calculated using a Black-Scholes Value model, with the following assumptions.

Risk-free interest rate	4.52 - 4.65%
Contractual term (years)	5
Dividend yield	0%
Expected volatility	133 - 138%

In conjunction with the issuance of debentures sold and issued to certain investors (the “Arena Investors”), in August 2024, the Company issued warrants to purchase an aggregate of 3,248 shares of common stock. The warrants each expire five years from their respective date of issuance. The warrants are exercisable, at the option of the holder, at any time, at an exercise price equal to $111.60 per share, subject to adjustment for any stock splits, stock dividends, recapitulations, and similar events, as well as anti-dilution price protection provisions that are subject to a floor price as described in the warrants. The initial fair value of warrants amounted to an aggregate of $214,267 and was recorded as a debt discount at the time of issuance of the debenture, as applicable. The fair value was calculated using a Black-Scholes Value model, with the following assumptions.

Risk-free interest rate	3.75%
Contractual term (years)	5
Dividend yield	0%
Expected volatility	136%

RenX Enterprises Corp.
Notes to Financial Statements

For the Nine Months Ended September 30, 2026 and 2025

10. Stockholders' Equity (cont.)

In conjunction with the issuance of additional debentures to the Arena Investors in October 2024, the Company issued warrants to purchase an aggregate of 8,545 shares of common stock. The warrants each expire five years from their respective date of issuance. The warrants are exercisable, at the option of the holder, at any time, at an exercise price equal to $69.52 per share, subject to adjustment for any stock splits, stock dividends, recapitalizations, and similar events, as well as anti-dilution price protection provisions that are subject to a floor price as described in the warrants. The initial fair value of warrants amounted to an aggregate of $390,939 and was recorded as a debt discount at the time of issuance of the debenture, as applicable. The fair value was calculated using a Black-Scholes Value model, with the following assumptions.

Risk-free interest rate	4.07%
Contractual term (years)	5
Dividend yield	0%
Expected volatility	136%

In conjunction with the issuance of additional debentures to the Arena Investors in April 2025, the Company issued warrants to purchase an aggregate of 23,052 shares of common stock. The warrants each expire five years from their respective date of issuance. The warrants are exercisable, at the option of the holder, at any time, at an exercise price equal to $32.43 per share, subject to adjustment for any stock splits, stock dividends, recapitalizations, and similar events, as well as anti-dilution price protection provisions that are subject to a floor price as described in the warrants. The initial fair value of warrants amounted to an aggregate of $170,811 and was recorded as a debt discount at the time of issuance of the debenture, as applicable. The fair value was calculated using a Black-Scholes Value model, with the following assumptions.

Risk-free interest rate	4.48%
Contractual term (years)	5
Dividend yield	0%
Expected volatility	125%

In conjunction with the October Private Placement, the Company issued warrants to purchase an aggregate of 330,882 shares of common stock. The October Warrants were not exercisable until the shareholders of the Company approved the exercise thereof, which approval was obtained on December 8, 2025. The October Warrants will expire two and one-half years following such stockholder approval . In the case of certain Dilutive Issuances (as such term is defined in the October Warrants), the exercise price and the number of shares issuable under the October Warrants will be adjusted; provided, however that the exercise price shall not be adjusted to be below the floor price of $4.84.

RenX Enterprises Corp.
Notes to Financial Statements

For the Nine Months Ended September 30, 2026 and 2025

10. Stockholders' Equity (cont.)

In conjunction with the February 2026 Purchase Agreement, the Company issued warrants to purchase an aggregate of 1,937,600 shares of common stock. The warrants each expire six years from their respective date of issuance. The warrants to purchase 1,075,264 shares of common stock (the "First Warrants") are exercisable immediately upon issuance and (ii) warrants to purchase 862,335 shares of common stock (the "Second Warrants) could not be exercised by the holders until stockholder approval was obtained, which was obtained on June 12, 2026 at the 2026 Annual Meeting. The warrants are exercisable, at an exercise price equal $3.12 per share, subject to adjustment for any stock splits, stock dividends, recapitulations, and similar events. On June 12, 2026 at the 2026 Annual Meeting, the Company received Stockholder Approval and the Second Warrants became exercisable and were deemed to be issued. The initial fair value of the First Warrants and Second Warrants amounted to an aggregate of $1,967,922 and $602,211, respectively, and were recorded as a debt discount at the time of issuance. The fair value was calculated using a Black-Scholes Value model, with the following assumptions.

Risk-free interest rate	3.67 - 4.18%
Contractual term (years)	6
Dividend yield	0%
Expected volatility	165 - 211%

In conjunction with the Initial Closing of the April 2026 Private Placement, the Company issued warrants (the "Initial April 2026 Warrants") to purchase an aggregate of 3,917,099 shares of common stock. The Initial April 2026 Warrants have a term of six years from the date of issuance and are exercisable at a price of $2.67 per share of common stock. The initial fair value of the Initial April 2026 Warrants amounted to an aggregate of $3,780,076 and was recorded as a debt discount at the time of issuance. The fair value was calculated using a Black-Scholes Value model, with the following assumptions.

Risk-free interest rate	3.67%
Contractual term (years)	6
Dividend yield	0%
Expected volatility	210%

In conjunction with the Second Closing of the April 2026 Private Placement, the Company issued warrants (the "Second April 2026 Warrants") to purchase an aggregate of 3,520,859 shares of common stock. The Second April 2026 Warrants have a term of six years from the date of issuance and are exercisable at a price of $2.67 per share of common stock. The initial fair value of the Second April 2026 Warrants amounted to an aggregate of $3,290,420 and was recorded as a debt discount at the time of issuance. The fair value was calculated using a Black-Scholes Value model, with the following assumptions.

Risk-free interest rate	3.97%
Contractual term (years)	6
Dividend yield	0%
Expected volatility	200%

Pursuant to the Index Exchange Agreement, the Company issued a common stock purchase warrant to purchase up to 619,084 shares of common stock (the "Index Exchange Warrants") to Index. The Index Exchange Warrants shall be immediately exercisable upon issuance, have a term of five years from the date of issuance, and be exercisable for shares of common stock at the exercise price of $2.895 per share; provided that the exercise price and number of shares of common stock issuable upon exercise of the Index Exchange Warrants are subject to customary adjustments pursuant to stock dividends, stock splits or similar events. The initial fair value of the Index Exchange Warrants amounted to an aggregate of $985,309. The fair value was calculated using a Black-Scholes Value model, with the following assumptions:

Risk-free interest rate	4.14%
Contractual term (years)	5
Dividend yield	0%
Expected volatility	130%

Pursuant to the Burnham Exchange Agreement, the Company issued a common stock purchase warrant to purchase up to 124,438 shares of common stock (the "Burnham Exchange Warrants") to Mr. Burnham. The Burnham Exchange Warrants shall be immediately exercisable upon issuance, have a term of five years from the date of issuance, and be exercisable for shares of common stock at the exercise price of $2.895 per share; provided that the exercise price and number of shares of common stock issuable upon exercise of the Burnham Exchange Warrants are subject to customary adjustments pursuant to stock dividends, stock splits or similar events. The initial fair value of the Burnham Exchange Warrants amounted to an aggregate of $211,574. The fair value was calculated using a Black-Scholes Value model, with the following assumptions:

Risk-free interest rate	5.03%
Contractual term (years)	5
Dividend yield	0%
Expected volatility	120%

RenX Enterprises Corp.
Notes to Financial Statements

For the Nine Months Ended September 30, 2026 and 2025

10. Stockholders' Equity (cont.)

Warrant activity for the nine months ended September 30, 2026 are summarized as follows:

Warrants	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding and exercisable - January 1, 2026	33,217	$ 22.60	3.6	-
Granted	10,119,080	2.77		
Exercised	(135,107)	(2.90)		
Outstanding and exercisable - September 30, 2026	10,017,190	$ 2.77	5.5	$ -

11. Share-based Compensation

On February 28, 2023, the Company's Board of Directors approved the issuance of up to 10,000 shares of the Company's common stock in the form of incentive stock options, non-qualified stock options, options, stock appreciation rights, restricted stock, or restricted stock units (as amended from time to time, the "2023 Plan"). The 2023 Plan expires February 2033 and is administered by the Company's Compensation Committee of the Board of Directors. Any employee, director, consultant, and other service provider, or affiliates, are eligible to participate in the 2023 Plan. The maximum number of shares of common stock that may be issued under the 2023 Plan automatically increases on January 1 of each calendar years for a period of ten years commencing on January 1, 2024, by a number of shares of common stock equal to 4.5% of the total number of shares of common stock outstanding on December 31 of the preceding calendar year, provided, however that the Board of Directors may act prior to January 1 of a given calendar year to provide that the increase for such year will be a lesser number of shares of Common Stock. All available shares may be utilized toward the grant of any type of award under the 2023 Plan. On January 1, 2024, 1,148 shares of the Company's common stock were added to the 2023 Plan pursuant to the evergreen provision. On January 1, 2025, 3,339 shares of the Company's common stock were added to the 2023 Plan pursuant to the evergreen provision. On January 1, 2026, 42,204 shares of the Company's common stock were added to the 2023 Plan pursuant to the evergreen provision. In August 2025, the Company's Board approved, subject to stockholder approval, an amendment to the 2023 Plan to increase the number of shares authorized for issuance thereunder by 60,000 shares of common stock. Stockholders approved this amendment on September 29, 2025. In May 2026, the Company's Board approved, subject to stockholder approval, an amendment to the 2023 Plan to (i) increase the number of shares authorized for issuance thereunder by 381,139 shares of common stock, and (ii) increase the total number of shares of common stock with respect to which awards may be granted to any non-employee director in his or her capacity as a non-employee director in any single calendar year by 72,500 shares of common stock. Stockholders approved this amendment on June 12, 2026 at the 2026 Annual Meeting. As of September 30, 2026, there were 473,292 shares of the Company's common stock available for issuance under the 2023 Plan.

On September 8, 2026, the Compensation committee of the Board of Directors approved grants of an aggregate of 122,500 restricted stock units ("RSUs") to certain members of management under the 2023 Plan. As of September 30, 2026, no shares have been formally issued pursuant to such awards and there has not been a mutual understanding of the key terms and conditions of the underlying agreements. As such, under ASC 718, Compensation- Stock Compensation, such grants have not been granted.

RenX Enterprises Corp.
Notes to Financial Statements

For the Nine Months Ended September 30, 2026 and 2025

12. Leases

The Company leases various equipment under non-cancellable operating lease agreements. The leases have remaining lease terms ranging from approximately one year to six years. Such leases have been recognized as operating leases.

Supplemental balance sheet information related to leases is as follows:

Balance Sheet Location		September 30, 2026
Operating Leases		
Right-of-use assets		$ 350,596
Current liabilities	Lease liability, current maturities	83,422
Non-current liabilities	Lease liability, net of current maturities	285,871
Total operating lease liabilities		$ 369,293
Weighted Average Remaining Lease Term		
Operating leases		4.50
Weighted Average Discount Rate		
Operating leases		9%

The Company also leases various equipment under non-cancellable lease agreements, which have been determined to be finance leases. The leases have remaining lease terms ranging from approximately one year to six years.

Supplemental balance sheet information related to leases is as follows:

Balance Sheet Location		September 30, 2026
Finance Leases		
Right-of-use assets (included in property and equipment)		$ 2,569,566
Current liabilities	Lease liability, current maturities	236,130
Non-current liabilities	Lease liability, net of current maturities	1,147,373
Total finance lease liabilities		$ 1,383,503
Weighted Average Remaining Lease Term		
Finance leases		$ 3.20
Weighted Average Discount Rate		
Finance leases		9%

RenX Enterprises Corp.
Notes to Financial Statements

For the Nine Months Ended September 30, 2026 and 2025

12. Leases (cont.)

As the leases do not provide an implicit rate, the Company used an incremental borrowing rate based on the information available at the lease commencement date in determining the present value of the lease payments, which is reflective of the specific term of the leases and economic environment of each geographic region.

Anticipated future lease costs, which are based in part on certain assumptions to approximate minimum annual rental commitments under non-cancellable leases, are as follows:

2026 (remaining)	$	113,033
2027		480,061
2028		481,832
2029		478,438
2030		405,619
Thereafter		156,427
Total lease payments		2,115,410
Less: Imputed interest		(362,614)
Present value of lease liabilities	$	1,752,796

13. Related Party Transactions

As of September 30, 2026 and December 31, 2025, the Company had $0 and $610,000, respectively, included in accounts payable and accrued expenses related to fees payable to the Company's Board of Directors. These amounts primarily related to pro-rated cash retainers attributable to the third and fourth quarters of 2024 and the first quarter of 2025. During the nine months ended September 30, 2026, the Company's Board of Directors forgave $490,000 of previously accrued fees, which was recorded as an increase to additional paid-in capital.

As of September 30, 2026 and December 31, 2025, the Company had $600,604 and $2,094,833, respectively, due to related parties. These amounts primarily resulted from advances from affiliates of the Company, that are non-interest bearing, and are payable on demand.

As disclosed in Note 7, the Company had notes payable to related parties of $511,749 and $5,562,266 as of September 30, 2026 and December 31, 2025, respectively. During the nine months ended September 30, 2026, $7,169,072 of outstanding principal and accrued interest of related party debt was extinguished in connection with the Index Exchange Agreement. During the nine months ended September 30, 2026, $1,446,774 of related party debt was extinguished in connection with the Burnham Exchange Agreement.

As disclosed in Note 7, on June 11, 2026, the Company entered into the Index Exchange Agreement with Index, a related party, pursuant to which the Company exchanged $7,169,072 of principal and accrued interest outstanding under that Amended and Restated Promissory Note, dated January 1, 2025, for (i) 7,169 shares of a newly designated series of Series C Preferred Stock, and (ii) a common stock purchase warrant to purchase up to 619,084 shares of common stock, and such note and the indebtedness evidenced thereby were cancelled. Bjarne Borg, a member of the Company's Board of Directors, is the manager of Index. See Note 7 — Notes Payable and Notes Payable – Related Party and Note 10 — Stockholder's Equity for additional information regarding the terms of the Series C Preferred Stock and the warrant.

RenX Enterprises Corp.
Notes to Financial Statements

For the Nine Months Ended September 30, 2026 and 2025

13. Related Party Transactions (cont.)

The Company incurred consulting fees from Marc Brune, father of Nicolai Brune, the Company's Chief Financial Officer, in the amount of $216,844 and $135,000 during the nine months ended September 30, 2026 and 2025, respectively.

The Company incurred consulting fees payable to JDB Consulting Services, Inc., a company controlled by James D. Burnham, who served as a member of the Company's Board of Directors until July 1, 2026, in the amount of $75,000 and $100,000 during the nine months ended September 30, 2026 and 2025, respectively. The amended and restated consulting agreement with JDB Consulting Services, Inc. was deemed terminated as of July 1, 2026 in connection with Mr. Burnham's employment agreement.

The Company incurred consulting fees payable to AMC Environmental Consulting., a company controlled by Anthony M. Cialone, who serves as a member of the Company's Board of Directors, in the amount of $150,000 and $100,000 during the nine months ended September 30, 2026 and 2025, respectively.

The Company employs Tristan Burnham, son of James D. Burnham, and incurred payroll expenses of $148,461 and $84,792 during the nine months ended September 30, 2026 and 2025, respectively.

The Company employs Derek Villarreal, son of David Villarreal, Chief Executive Officer, and incurred payroll expenses of $105,000 during the nine months ended September 30, 2026 and 2025, respectively.

As part of the acquisition of Resource Group, the Company acquired an intangible asset in the amount of $6,368,100, which was originally owned by a related party of the members of Resource Group. The original owner is no longer a related party of the Company

14. Commitments and Contingencies

At times the Company may be subject to certain claims and lawsuits arising in the normal course of business. The Company will assess liabilities and contingencies in connection with outstanding legal proceedings utilizing the latest information available. Where it is probable that the Company will incur a loss and the amount of the loss can be reasonably estimated, the Company will record a liability in our condensed consolidated financial statements. These legal accruals may be increased or decreased to reflect any relevant developments on a quarterly basis. Where a loss is not probable or the amount of the loss is not estimable, the Company will not record an accrual, consistent with applicable accounting guidance. The Company is not currently involved in any material legal proceedings.

RenX Enterprises Corp.
Notes to Financial Statements

For the Nine Months Ended September 30, 2026 and 2025

15. Segment Reporting

The Company's Chief Operating Decision Maker ("CODM") as defined under GAAP, who is the Company's Chief Executive Officer, determined that the Company organized its operations into three segments as of September 30, 2026 (real estate development, compost sales, and logistics), compared with four segments in 2025 (real estate development, technology, compost sales, and logistics). The Compost Sales and Logistics segments are the Company's main focus. These segments reflect the way our executive team evaluates the Company's business performance and manages its operations. The CODM used the below financial information to assess financial performance and allocate resources. Information for the Company's segments, is provided in the following table:

	Real Estate Development	Technology	Compost Sales	Logistics	Consolidated
For the Nine Months Ended September 30, 2026					
Revenue	$ -		$ 3,086,838	$ 9,612,593	$ 12,699,431
Cost of revenue	-		1,126,755	7,346,399	8,473,154
Operating expenses:					
Payroll and related expenses	1,228,446	-	1,048,052	1,048,765	3,325,263
Professional and consulting fees	2,173,539	-	334,441	207	2,508,187
Other operating expenses	3,921,804	121	2,794,346	450,206	7,166,477
Total operating expenses	7,323,789	121	4,176,839	1,499,178	12,999,927
Operating (loss) income	(7,323,789)	(121)	(2,216,756)	767,016	(8,773,650)
Other income (expense)	(15,350,205)	(1,062)	(1,208,818)	(704,921)	(17,265,006)
Net (loss) income	$ (22,673,994)	$ (1,183)	$ (3,425,574)	$ 62,095	$ (26,038,656)
Total assets	$ 1,756,916	$ 1,821	$ 31,604,936	$ 2,962,826	$ 36,326,499

	Real Estate Development	Technology	Compost Sales	Logistics	Consolidated
For the Three Months Ended September 30, 2026					
Revenue	$ -	$ -	$ 1,090,103	$ 3,395,298	$ 4,485,401
Cost of revenue	-	-	413,237	2,535,838	2,949,075
Operating expenses:					
Payroll and related expenses	416,808	-	463,202	379,560	1,259,570
Professional and consulting fees	685,863	-	68,837	6	754,706
Other operating expenses	1,556,352	-	910,341	64,103	2,530,796
Total operating expenses	2,659,023	-	1,442,380	443,669	4,545,072
Operating (loss) income	(2,659,023)	-	(765,514)	415,791	(3,008,746)
Other income (expense)	(5,022,111)	-	(233,853)	(425,729)	(5,681,693)
Net (loss) income	$ (7,681,134)	$ -	$ (999,367)	$ (9,938)	$ (8,690,439)
Total assets	$ 1,756,916	$ 1,821	$ 31,604,936	$ 2,962,826	$ 36,326,499

RenX Enterprises Corp.
Notes to Financial Statements

For the Nine Months Ended September 30, 2026 and 2025

15. Segment Reporting (cont.)

	Real Estate Development	Technology	Resource	ZEI	Consolidated
For the Nine Months Ended September 30, 2025					
Revenue	$ -	$ 18,170	$ 1,184,894	$ 3,733,324	$ 4,936,388
Cost of revenue	-	11,800	389,568	3,075,073	3,476,441
Operating expenses:					
Payroll and related expenses	1,254,391	11,214	460,221	449,745	2,175,571
Professional fees and consulting fees	877,910	741	318,808	30,561	1,228,020
Other operating expenses	2,513,814	-	688,334	359,722	3,561,870
Bad debt expense	3,025,000	-	-	-	3,025,000
Total operating expenses	7,671,115	11,955	1,467,363	840,028	9,990,461
Operating (loss) income	(7,671,115)	(5,585)	(672,037)	(181,777)	(8,530,514)
Other income (expense)	(2,722,217)	(5,707)	(744,876)	(250,958)	(3,723,758)
Net loss	$ (10,393,332)	$ (11,292)	$ (1,416,913)	$ (432,735)	$ (12,254,272)
Total assets	$ 8,593,933	$ 7,432	$ 28,316,806	$ 1,462,567	$ 38,380,738

	Real Estate Development	Technology	Resource	ZEI	Consolidated
For the Three Months Ended September 30, 2025					
Revenue	$ -	$ -	$ 759,698	$ 2,756,010	$ 3,515,708
Cost of revenue	-	-	304,259	2,302,826	2,607,085
Operating expenses:					
Payroll and related expenses	373,580	-	337,017	327,549	1,038,146
Professional fees and consulting fees	505,198	741	250,400	4,501	760,840
Other operating expenses	606,395	-	533,645	301,902	1,441,942
Bad debt expense		-	-	-	-
Total operating expenses	1,485,173	741	1,121,062	633,952	3,240,928
Operating (loss) income	(1,485,173)	(741)	(665,623)	(180,768)	(2,332,305)
Other income (expense)	(1,285,671)	(1,827)	(548,961)	(181,557)	(2,018,016)
Net loss	$ (2,770,844)	$ (2,568)	$ (1,214,584)	$ (362,325)	$ (4,350,321)
Total assets	$ 8,593,933	$ 7,432	$ 28,316,806	$ 1,462,567	$ 38,380,738

RenX Enterprises Corp.
Notes to Financial Statements

For the Nine Months Ended September 30, 2026 and 2025

16. Subsequent Events

April 2026 Note Conversions

From October 1, 2026 to October 5, 2026, certain of the purchasers converted additional Initial April 2026 Notes in an aggregate amount of principal and accrued interest of $260,208 into an aggregate of 175,876 shares of common stock. As a result, as of October 5, 2026, Initial April 2026 Notes in the aggregate principal amount and accrued interest of $5,830,000 remained outstanding as of the date hereof.

Note Exchange

On November 2, 2026, the Company entered into an exchange agreement (the "Note Exchange Agreement") with an accredited investor (the "Investor"), pursuant to which the Company exchanged $1,022,971.22 of principal and accrued interest outstanding under a February 2026 Note (the "Prior Note"), for (i) a new senior convertible note (the "New Note") in the principal amount of $1,037,283.93 (an amount equal to 110% of the outstanding principal amount of the Prior Note), and (ii) a common stock purchase warrant to purchase 644,944 shares of common stock, which is equal to 180% of the face value of the New Note divided by $2.895. Pursuant to the Note Exchange Agreement, on November 2, 2026, the Company issued the New Note and the warrant, and the Prior Note and the outstanding debt due thereunder, was cancelled.

In the Note Exchange Agreement, the Investor acknowledged that the shares of common stock issuable upon conversion of the New Note and the exercise of the warrant are subject to an exchange cap (the "Exchange Cap"), such that the Company will not issue shares of common stock upon a conversion of the New Note or shares of common stock upon exercise of the warrant if the issuance of such shares of common stock would exceed the aggregate number of shares of common stock which the Company may issue without breaching its obligations under the rules or regulations of Nasdaq.

The Exchange Agreement

Pursuant to the Note Exchange Agreement, the Company agreed to hold a special meeting of stockholders at the earliest practicable date after the effective date of the agreement (and in no event later than 120 days thereafter) (the "Stockholder Meeting Deadline") and use its reasonable best efforts to obtain such approval as may be required under the applicable rules of Nasdaq from the Company's stockholders with respect to the issuance of shares of common stock upon conversion of the New Note at the Alternate Conversion Price (as defined in the New Note) (the "Stockholder Approval"). If, despite the Company's reasonable best efforts, the Stockholder Approval is not obtained within 180 days of the effective date of the agreement, the Company is obligated to cause an additional stockholder meeting to be held within 120 days thereafter.

Additionally, pursuant to the Note Exchange Agreement, if at any time following the effective date of the agreement, the shares of common stock issuable upon conversion of the New Note or exercise of the warrant may not be resold by the Investor pursuant to Rule 144 under the Securities Act of 1933, as amended, without volume or manner-of-sale restrictions for a period of more than ninety (90) consecutive days, then, upon the written request of the Investor, the Company shall file within forty-five (45) days of such request, and use commercially reasonable efforts to cause to be declared effective within sixty (60) days of such request, a registration statement covering the resale of such shares.

The New Note

The New Note matures 12 months from its date of issuance (subject to extension under certain circumstances) (the "Maturity Date"), bears interest at a rate of 10% per annum, and is payable in full on the Maturity Date. The New Note is unsecured and is senior to all other Indebtedness (as such term is defined in the New Note) of the Company and its subsidiaries.

The New Note is initially convertible, at the option of the holder, at any time after the date of issuance, into that number of shares of common stock equal to the principal amount of the New Note, plus all accrued and unpaid interest and late charges and any other unpaid amounts, at the initial conversion price of $2.895 per share, subject to adjustment for any stock splits, stock dividends, recapitalizations and similar events. Subject to the receipt of Stockholder Approval, the holder of the New Note shall have the right, at any time after the receipt of the Stockholder Approval, to convert the New Note, or any portion thereof, into shares of common stock (an "Alternate Conversion") at a conversion price (the "Alternate Conversion Price") equal to the greater of (x) a floor price of $0.534 (the "New Note Floor Price") and (y) 92% of the lowest VWAP in the ten trading days prior to the date of such Alternate Conversion. Assuming that the New Note accrued interest at 10% for a period of 12 months, the New Note would be convertible into an aggregate of 394,133 shares of common stock, based on the initial conversion price of $2.895 per share, and up to 2,136,728 shares of common stock, based on the New Note Floor Price.

On November 16, 2026, in connection with the November Additional Closing (as defined below), and as an inducement to the Investor's agreement to purchase additional securities in the November Additional Closing, the Company and the Investor entered into an Amendment to Senior Convertible Note (collectively, the "New Note Amendment"), pursuant to which the New Note was amended to provide that, in the event that the Investor elects to convert all or a portion of the New Note in an Alternate Conversion, and the New Note Floor Price is greater than 92% of the lowest VWAP in the ten trading days prior to the applicable conversion date, then in addition to receiving a number of shares of common stock equal to the quotient obtained by dividing the dollar amount of the New Note being converted by the New Note Floor Price, the Company shall also pay to the Investor cash as a true-up in an amount equal to the product of (i) any bid price of the Company's common stock, as reported by Bloomberg, selected by the holder from within the twenty minutes immediately preceding the delivery of the applicable conversion notice (or, if such conversion notice is delivered other than during regular trading hours on a trading day, the closing bid price on the most recent trading day ended prior to such delivery) and (ii) the difference obtained by subtracting (I) the number of shares of common stock delivered (or to be delivered) to the holder with respect to such Alternate Conversion from (II) the quotient obtained by dividing (x) the applicable amount of the note being converted in the Alternate Conversion by (y) the conversion price calculated using 92% of the lowest VWAP in the ten trading days prior to the applicable conversion date; provided, however, that any cash true-up payments that may be required under the New Note shall not exceed the three times the original principal amount of the New Note. Any cash true-up t payments to be made pursuant to the New Note Amendment shall be paid by the Company to the holder within two business days after the applicable conversion date. In addition to the foregoing, the New Note Amendment amended to the New Note to provide that, subject to certain exempt issuances, in the event that the Company sells, offers or grants any option or right to purchase, or otherwise disposes of or sells any equity security or equity-linked or related security, any convertible securities any preferred stock or other securities, while the New Note remains outstanding, the holder shall have the right to require the Company to (i) initially, pay any then unpaid and outstanding cash true-up amounts in full and (ii) thereafter, to apply up to 50%, in the event any cash true-up payments are owed as of such date, or 80%, in the event that the holder participates as an investor in such financing, of the gross proceeds from such financings to redeem all, or any portion, of the outstanding New Note and the April 2026 Notes (based on the investors' respective allocations) at a price equal to 110% of the amount of the New Note being redeemed, which are increases from the 30% of gross proceeds that the holder may require the Company to use to redeem the New Note and April 2026 Notes in other cases.

The holder of the New Note is prohibited from converting the New Note into shares of common stock if, as a result of such conversion, such holder, together with its affiliates, would beneficially own in excess of 4.99% (or, at the option of the holder, 9.99%) of the total number of shares of common stock issued and outstanding immediately after giving effect to such conversion.

The New Note is redeemable by the Company at any time, at the Company's option, in whole or in part, at a redemption price equal to 110% of the sum of the principal amount to be redeemed plus accrued interest, if any.

The New Note contains certain customary and other events of default. If an event of default occurs, from and after the occurrence, and during the continuance of, such an event of default, the interest rate of the New Note shall automatically increase to 18% per annum until such event of default is cured. Additionally, if an event of default occurs, the holder of New Note may, regardless of whether such event of default has been cured, require the Company to redeem all or any portion of the New Note at a price equal to the greater of (i) the product of (A) the value of the New Note to be redeemed multiplied by (B) 110% and (ii) the product of (X) the value of the New Note to be redeemed, divided by the initial conversion price, multiplied by (Y) the product of (1) 110% multiplied by (2) the greatest closing sale price of the common stock on any trading day during the period commencing on the date immediately preceding such event of default and ending on the date the Company makes the entire payment.

Pursuant to the New Note, the Company shall not enter into or be a party to a Fundamental Transaction (as such term is defined in the New Note) unless (i) the successor entity assumes in writing all of the obligations under the New Note and the other transaction documents and (ii) the successor entity is a publicly traded corporation whose common stock is quoted on or listed for trading on an eligible market, as set forth in the New Note.

While the New Note is outstanding, subject to certain exempt issuances, if the Company sells, offers or grants any option or right to purchase, or otherwise disposes of or sells any equity security or equity-linked or related security, any convertible securities any preferred stock or other securities, the holder of the New Note shall have the right, in its sole discretion, to require that the Company apply up to 2.39% of the gross proceeds from such sales or offers to redeem all, or any portion, of the New Note at a price equal to 110% of the amount of the New Note being redeemed.

The Warrant

The warrant shall be immediately exercisable upon issuance, have a term of six years from the date of issuance, and be exercisable for shares of common stock at the exercise price of $2.67 per share. If, after the date that is six months after the issuance date, there is no effective registration statement registering, or the prospectus contained therein is not available for the resale of the shares of common stock issuable upon exercise of the warrant, the warrant may be exercised, in whole or in part, by means of a "cashless exercise" in which case the holder will be entitled to receive a number of shares of common stock equal to the quotient obtained by dividing, (x) (A) as applicable, the VWAP of the common stock on the date immediately preceding the exercise date (if the notice of exercise is (1) both executed and delivered on a day that is not a trading day or (2) both executed and delivered on a trading day prior to the opening of "regular trading hours) or the bid price of the common stock as of the time of the holder's execution of the applicable notice of exercise (if the notice of exercise is executed during "regular trading hours" on a trading day), less the exercise price of the warrant, multiplied by (B) the number of shares of common that would be issuable upon exercise of the warrant if the exercise were by means of a cash exercise rather than a cashless exercise, by (y) the price used in (A). The holder of the warrant is prohibited from exercising the warrant for shares of common stock if, as a result of such conversion, such holder, together with its affiliates, would beneficially own in excess of 4.99% (or, at the option of the holder, 9.99%) of the total number of shares of common stock issued and outstanding immediately after giving effect to such exercise.

Additional Closing of April 2026 Private Placement and April 2026 Note Amendments

On November 16, 2026, the Company and the purchasers in the April 2026 Private Placement completed an Additional Closing (the "November Additional Closing"), at which the Company sold and issued the purchasers April 2026 Notes in the aggregate principal amount of $3,000,000 together with the April 2026 Warrants to purchase 1,865,283 shares of common stock. Assuming that the April 2026 Notes sold in the November Additional Closing accrued interest at 10% for a period of 12 months, such notes would be convertible into an aggregate of 1,139,898 shares of common stock, based on the Initial April 2026 Conversion Price, and up to 6,179,776 shares of common stock, based on the April 2026 Note Floor Price. The net proceeds to the Company from the November Additional Closing were approximately $2.5 million, after deducting placement agent fees and the payment of other offering expenses associated with the offering that were payable by the Company.

On November 16, 2026, in connection with the November Additional Closing, and as an inducement to the purchasers' agreement to purchase additional securities in the November Additional Closing, the Company and each of the purchasers of April 2026 Notes and April 2026 Warrants entered into Amendments to Senior Convertible Note (collectively, the "April 2026 Note Amendments"), pursuant to which each of the April 2026 Notes issued and sold to the purchasers in the Initial Closing and the Second Closing were amended to provide that, in the event that the holder of an April 2026 Note elects to convert all or a portion of their April 2026 Note in an Alternate Conversion, and the April 2026 Note Floor Price is greater than 92% of the lowest VWAP in the ten trading days prior to the applicable conversion date, then in addition to receiving a number of shares of common stock equal to the quotient obtained by dividing the dollar amount of the April 2026 Note being converted by the April 2026 Note Floor Price, the Company shall also pay to the holder cash as a true-up in an amount equal to the product of (i) any bid price of the Company's common stock, as reported by Bloomberg, selected by the holder from within the twenty minutes immediately preceding the delivery of the applicable conversion notice (or, if such conversion notice is delivered other than during regular trading hours on a trading day, the closing bid price on the most recent trading day ended prior to such delivery) and (ii) the difference obtained by subtracting (I) the number of shares of common stock delivered (or to be delivered) to the holder with respect to such Alternate Conversion from (II) the quotient obtained by dividing (x) the applicable amount of the note being converted in the Alternate Conversion by (y) the conversion price calculated using 92% of the lowest VWAP in the ten trading days prior to the applicable conversion date; provided, however, that any cash true-up payments that may be required under any April 20206 Note shall not exceed the three times the original principal amount of such April 2026 Note. Any cash true-up payments to be made pursuant to the April 2026 Note Amendments shall be paid by the Company to the holder within two business days after the applicable conversion date. In addition to the foregoing, the April 2026 Note Amendment amended to the April 2026 Notes to provide that, subject to certain exempt issuances, in the event that the Company sells, offers or grants any option or right to purchase, or otherwise disposes of or sells any equity security or equity-linked or related security, any convertible securities any preferred stock or other securities while the April 2026 Notes remain outstanding, the holder shall have the right to require the Company to (i) initially, pay any then unpaid and outstanding cash true-up amounts in full and (ii) thereafter, to apply up to 50%, in the event any cash true-up payments are owed as of such date, or 80%, in the event that the holder participates as an investor in such financing, of the gross proceeds from such financings to redeem all, or any portion, of the outstanding April 2026 Notes and New Note (based on the investors' respective allocations) at a price equal to 110% of the amount of the April 2026 Note being redeemed, which are increases from the 30% of gross proceeds that the holder may require the Company to use to redeem the April 2026 Notes New Note and in other cases.

Loeb Refinancing

On November 6, 2026, the Company's subsidiaries ZEI and Resource issued a Second Amended and Restated Term Promissory Note (the "2nd A&R Loeb Note") to Loeb Term Solutions LLC ("Loeb") in the principal amount of $1,997,780, which amended and restated the Company's existing note payable to Loeb, dated September 7, 2023, in the original principal amount of $3,196,215. The 2nd A&R Loeb Note bears interest at the Wall Street Journal prime rate plus 6.5% per annum (the "Loeb Interest Rate"), computed on a 365-day year, and is payable in 35 monthly installments of principal and interest, calculated on a five-year amortization schedule, with a final balloon installment of all outstanding principal, accrued interest and other amounts due on the first day of the thirty-sixth month following the effective date (November 1, 2029). Notwithstanding the foregoing, from and after the occurrence of a default under the 2nd A&R Loeb Note, and for so long as such default continues, the applicable interest rate shall be increased to the Loeb Interest Rate plus 6% per annum. The 2nd A&R Loeb Note was issued to Loeb pursuant to a Second Amended and Restated Credit Agreement entered into by and among the parties, which amends and restates in all respects that Credit and Security Agreement entered into by and among the parties on September 7, 2023, remains secured by equipment of the borrowers, and did not constitute a novation of the existing indebtedness.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Introduction and Certain Cautionary Statements

As used in this Quarterly Report on Form 10-Q, unless the context requires otherwise, references to the "Company," "RENX," "we," "us," and "our" refer to RenX Enterprises Corp. and its subsidiaries. The following discussion and analysis of the financial condition and results of our operations should be read in conjunction with our unaudited condensed consolidated financial statements and related notes and schedules included elsewhere in this Quarterly Report on Form 10-Q and with our audited consolidated financial statements for the years ended December 31, 2025 and 2024 and the accompanying notes, which are included in our Annual Report on Form 10-K for the year ended December 31, 2025 filed with the Securities and Exchange Commission on April 1, 2026 (the "2025 10-K"). This discussion, particularly information with respect to our future operations, includes forward-looking statements that involve risks and uncertainties as described under the heading "Special Note Regarding Forward-Looking Statements" in this Quarterly Report on Form10-Q. You should review the disclosure under the heading "Risk Factors" in this Quarterly Report on Form 10-Q and the 2025 10-K for a discussion for important factors that could cause our actual results to differ materially from those anticipated in these forward-looking statements.

Special Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those discussed in the forward-looking statements. The statements contained in this Quarterly Report on Form 10-Q that are not purely historical are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Statements contained in this Quarterly Report on Form 10-Q may use forward-looking terminology, such as "anticipates," "believes," "could," "would," "estimates," "may," "might," "plan," "expect," "intend," "should," "will," or other variations on these terms or their negatives. All statements other than statements of historical facts are statements that could potentially be forward-looking. We caution that forward-looking statements involve risks and uncertainties, and actual results could differ materially from those expressed or implied in these forward-looking statements or could affect the extent to which a particular objective, projection, estimate or prediction is realized. These statements are based on the beliefs and assumptions of our management based on information currently available to management. Such forward-looking statements are subject to risks, uncertainties and other important factors that could cause actual results and the timing of certain events to differ materially from future results expressed or implied by such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those identified below, those discussed in the section titled "Risk Factors" included under Part II, Item 1A below and those discussed in the section titled "Risk Factors" included under Part I, Item 1A in the 2025 Form 10-K. Furthermore, such forward-looking statements speak only as of the date of this report. Except as required by law, we undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date of such statement.

Although we believe that our assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Quarterly Report on Form 10-Q will prove to be accurate. In light of the significant uncertainties inherent in the forward-looking statements included herein, the inclusion of such information should not be regarded as a representation by us or any other person that the objectives and plans of ours will be achieved. Investors are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date on which such statements are made. Any forward-looking statements made by us or on our behalf speak only as of the date they are made, and we do not undertake to update any forward-looking statement that may be made from time to time on our behalf.

Overview

We are a vertically integrated, full-service operator in the engineered soils and organic recycling industry, operating through Resource Group US Holdings LLC ("Resource Group"), which we acquired in June 2025 in a transaction that marked a significant strategic shift in our core business. Resource Group, through its subsidiaries, centers its operations on the transformation of targeted organic green waste materials into environmentally friendly soil and mulch products. Through our subsidiary, Zimmer Equipment Inc. ("ZEI"), we provide comprehensive waste logistics and collection services for our own products as well as for products of third parties through ZEI's owned fleet of high-capacity transportation equipment and third-party contractors engaged by us. ZEI offers year-round collection and disposal services through high-capacity grapple trucks, open-top walking floor trailers, and variable-sized containers serving green waste generators, landscaping companies, golf courses, communities, and municipalities. Resource Group works with ZEI to streamline operations by internalizing certain transportation services, reducing over-the-road mileage, lowering disposal costs, and maximizing efficiency. In July 2026, Resource Group launched a land clearing division, which provides vegetation, stump and woody debris clearing and removal services for a fee and processes the cleared material on site for transport to our Myakka City facility, where it is used as feedstock for our mulch and compost products. In September 2026, ZEI commenced a new municipal solid waste hauling route in the Tampa Bay region on a trial basis for an existing national waste management customer, which is in addition to ZEI's existing transport agreements with that customer.In November 2026, ZEI was awarded the hauling contract for this route and acquired additional trailers to service it.

In addition to our organics processing and logistics operations, we are in the process of implementing the Microtec UTM 1200 Turbo Mill system at our Myakka City facility. The UTM 1200 is a high-efficiency milling and processing technology designed to enhance the throughput and output quality of our existing organics processing operations, including the production of engineered soils and mulch products. The UTM 1200 system arrived at our Myakka City facility and installation of the mill and its related structure was substantially completed in October 2026. Remaining steps to place the system in service include electrical interconnection and energization, installation of the fire suppression system, completion of material handling fabrication, and commissioning, and we are targeting initial production in the first quarter of 2027. There can be no assurance that the UTM 1200 system will be deployed on the anticipated timeline or that it will perform as expected upon installation.

We currently operate in three segments: compost sales, logistics, and real estate development. For the quarter ended September 30, 2026, we operated in three segments and generated $4,485,401 in revenue, of which approximately $3,395,298 was generated from our logistics business and $1,090,103 was generated from our compost sales business. While our logistics business operated by our subsidiary, ZEI, and our compost sales business operated by our subsidiary, Resource Group, are expected to serve as our primary operational focuses going forward, we also currently intend to continue to try to monetize our legacy real estate assets and joint venture interests.

Market Opportunity and Growth Strategy

We believe the market backdrop for organics recycling provides a durable tailwind for our business. State and local governments are increasingly adopting organics-diversion requirements and restrictions on the landfilling of green waste, expanding the feedstock available to permitted processors, while demand for engineered soils, mulch, compost and organic growing media continues to grow across agricultural, commercial, landscaping and infrastructure end markets. In particular, domestically produced, waste-derived substrates are increasingly preferred by commercial and municipal buyers over imported and mined alternatives, such as Canadian sphagnum peat, virgin topsoil and imported bark products, reflecting supply-chain disruptions, rising import costs and tariffs on imported inputs, and procurement mandates favoring recycled-content materials.

With that in mind, we are developing our permitted Myakka City, Florida facility into what we believe will be a differentiated organic substrate production platform. The planned deployment of the UTM 1200 system described above is designed to move our output beyond bulk mulch and compost into consistent, specification-grade engineered soils and organic growing substrates, including growing media formulated to serve as a domestically produced replacement for imported sphagnum peat-based products. Permitted organics processing facilities face significant barriers to entry, including capital intensity, land requirements and regulatory complexity, and our platform combines the permitted site and approximately 9 million tons of entitled sand reserves acquired in connection with the Resource Group acquisition with ZEI's collection and logistics network, which helps secure feedstock supply and internalize transportation costs, allowing us to source raw organic material, process it and deliver finished products within a single vertically integrated system.

Our two primary operating segments, compost sales and logistics, carry complementary margin profiles: for the nine months ended September 30, 2026, our compost sales segment generated a gross margin of approximately 64%, while our logistics segment generated a gross margin of approximately 24%. As our compost sales and substrate production business grows relative to our logistics business, we believe this segment mix has the potential to expand our consolidated gross margin over time. Revenue for the quarter ended September 30, 2026 of $4,485,401 represented an increase of approximately 5.4% over revenue of $4,255,906 for the quarter ended June 30, 2026. We have seen sequential growth in both our logistics and compost sales segments during 2026 as compared to 2025. Our growth strategy contemplates organic expansion, including increased processing throughput and new substrate products at Myakka City, the expansion of our land clearing services and expanded collection and logistics services, and we may from time to time evaluate acquisitions or investments that complement our vertically integrated platform. Any such expansion will require additional capital and is subject to the risks described under “Item 1A. Risk Factors” in this Quarterly Report and in our Annual Report on Form 10-K for the year ended December 31, 2025.

Company History

We were formed as a Delaware corporation in 2021 under the name SGB Development Corp. and, prior to our June 2025 acquisition of Resource Group, focused primarily on residential real property development and related real estate investments. In December 2025, we changed our name to RenX Enterprises Corp. to reflect our new strategic direction. See Note 1 — Description of Business for additional background.

Recent Developments

April 2026 Private Placement

On April 30, 2026, we entered into a securities purchase agreement (the "April 2026 Purchase Agreement") with certain institutional investors providing for a tranched private placement transaction (the "April 2026 Private Placement") of senior convertible notes (the "April 2026 Notes") and warrants ("April 2026 Warrants") to purchase shares of Common Stock, consisting of: (i) April 2026 Notes in the aggregate principal amount of $6,300,000 (the "Initial April 2026 Notes") and April 2026 Warrants to purchase 3,917,099 shares of Common Stock (the "Initial April 2026 Warrants"), issued at the initial closing on May 4, 2026 (the "Initial Closing"), for net proceeds of approximately $5.7 million; (ii) April 2026 Notes in the aggregate principal amount of $6,700,000 (the "Second April 2026 Notes") and April 2026 Warrants to purchase 4,165,805 shares of Common Stock (the "Second April 2026 Warrants"), to be issued in a second closing (the "Second Closing") promptly following effectiveness of a registration statement (the "Initial April 2026 Registration Statement") registering the shares of Common Stock issuable upon conversion of the Initial April 2026 Notes and the Second April 2026 Notes, in each case calculated based on the initial conversion price of $2.895, and the shares of Common Stock issuable upon exercise of the Initial April 2026 Warrants and the Second April 2026 Warrants, with expected net proceeds of approximately $6.4 million, which we have agreed to apply to the repayment of the February 2026 Notes at 110% of their outstanding principal amount; and (iii) up to $87,000,000 of additional April 2026 Notes and related warrants at additional closings ("Additional Closings"), subject to mutual consent and certain conditions, as to which no assurance can be given. Pursuant to the April 2026 Purchase Agreement, we agreed to use the net proceeds from the April 2026 Private Placement, following the Second Closing, for the repayment of those senior convertible notes sold to certain investors on February 12, 2026 (the "February 2026 Notes"), in an amount equal to 110% of the outstanding aggregate principal amount of such February 2026 Notes. On August 26, 2026, we and the purchasers entered into an Amendment to Securities Purchase Agreement and Registration Rights Agreement (the "April 2026 SPA & RRA Amendment"), which amended the April 2026 Purchase Agreement to provide that: (i) the date of the Second Closing would be August 26, 2026 (the "Second Closing Date"); and (ii) on the Second Closing Date, the purchasers, severally and not jointly, shall have the right to purchase up to $6,700,000 (pro rata by initial subscription amounts with respect to the First Closing) of April 2026 Notes and April 2026 Warrants. The April 2026 SPA & RRA Amendment also amended certain terms of the registration rights agreement entered into with the purchasers.

The April 2026 Notes are initially convertible, at the option of the holder, at any time after the date of issuance, into that number of shares of Common Stock equal to the principal amount of the April 2026 Notes, plus all accrued and unpaid interest and late charges and any other unpaid amounts, at the Initial April 2026 Conversion Price of $2.895 per share, subject to adjustment for any stock splits, stock dividends, recapitalizations and similar events. Subject to the receipt of stockholder approval, which was obtained at our 2026 Annual Meeting on June 12, 2026, the holders of the April 2026 Notes shall have the right, at any time after the later of (i) the date of the receipt of the stockholder approval and (ii) 120 calendar days following the Initial Closing Date, to convert their April 2026 Notes or any portion thereof into shares of Common Stock (an "Alternate Conversion") at a conversion price equal to the greater of (x) a floor price of $0.534 (which is equal to 20% of the Nasdaq Minimum Price applicable to the Initial April 2026 Notes) (the "April 2026 Note Floor Price") and (y) 92% of the lowest volume weighted average price in the ten trading days prior to the date of such Alternate Conversion. See Note 7 — Notes Payable and Notes Payable – Related Party for a complete description of the April 2026 Private Placement.

The Initial Closing occurred on May 4, 2026 (the "Initial Closing Date"). The net proceeds to us from the Initial Closing were approximately $5.7 million, after deducting placement agent fees and the payment of other offering expenses associated with the offering that were payable by us.

The Second Closing occurred on August 26, 2026, at which the Company sold and issued the purchasers April 2026 Notes in the aggregate principal amount of $5,662,716.07 together with the April 2026 Warrants to purchase 3,520,859 shares of common stock. The net proceeds to the Company from the Second Closing were approximately $5.4 million, after deducting placement agent fees and the payment of other offering expenses associated with the offering that were payable by the Company. As required by the April 2026 Purchase Agreement, the Company utilized the net proceeds of the Second Closing to repay $5,100,000 due under the February 2026 Notes, in an amount equal to 110% of the outstanding aggregate principal amount of such February 2026 Notes.

On November 16, 2026, we completed an Additional Closing (the "November Additional Closing"), at which we sold and issued the purchasers April 2026 Notes in the aggregate principal amount of $3,000,000 together with the April 2026 Warrants to purchase 1,865,283 shares of common stock. The net proceeds to the Company from the November Additional Closing were approximately $2.5 million, after deducting placement agent fees and the payment of other offering expenses associated with the offering that were payable by us.

On November 16, 2026, in connection with the November Additional Closing, and as an inducement to the purchasers' agreement to purchase additional securities in the November Additional Closing, we and each of the purchasers of April 2026 Notes and April 2026 Warrants entered into Amendments to Senior Convertible Note (collectively, the "April 2026 Note Amendments"), pursuant to which each of the April 2026 Notes issued and sold to the purchasers in the Initial Closing and the Second Closing were amended to provide that, in the event that the holder of an April 2026 Note elects to convert all or a portion of their April 2026 Note in an Alternate Conversion, and the April 2026 Note Floor Price is greater than 92% of the lowest VWAP in the ten trading days prior to the applicable conversion date, then in addition to receiving a number of shares of common stock equal to the quotient obtained by dividing the dollar amount of the April 2026 Note being converted by the April 2026 Note Floor Price, we shall also pay to the holder cash as a true-up in an amount equal to the product of (i) any bid price of the Company's common stock, as reported by Bloomberg, selected by the holder from within the twenty minutes immediately preceding the delivery of the applicable conversion notice (or, if such conversion notice is delivered other than during regular trading hours on a trading day, the closing bid price on the most recent trading day ended prior to such delivery) and (ii) the difference obtained by subtracting (I) the number of shares of common stock delivered (or to be delivered) to the holder with respect to such Alternate Conversion from (II) the quotient obtained by dividing (x) the applicable amount of the note being converted in the Alternate Conversion by (y) the conversion price calculated using 92% of the lowest VWAP in the ten trading days prior to the applicable conversion date; provided, however, that any cash true-up payments that may be required under any April 20206 Note shall not exceed the three times the original principal amount of such April 2026 Note. Any cash true-up payments to be made pursuant to the April 2026 Note Amendments shall be paid by the Company to the holder within two business days after the applicable conversion date. In addition to the foregoing, the April 2026 Note Amendment amended to the April 2026 Notes to provide that, subject to certain exempt issuances, in the event that the Company sells, offers or grants any option or right to purchase, or otherwise disposes of or sells any equity security or equity-linked or related security, any convertible securities any preferred stock or other securities while the April 2026 Notes remain outstanding, the holder shall have the right to require the Company to (i) initially, pay any then unpaid and outstanding cash true-up amounts in full and (ii) thereafter, to apply up to 50%, in the event any cash true-up payments are owed as of such date, or 80%, in the event that the holder participates as an investor in such financing, of the gross proceeds from such financings to redeem all, or any portion, of the outstanding April 2026 Notes and New Note (based on the investors' respective allocations) at a price equal to 110% of the amount of the April 2026 Note being redeemed, which are increases from the 30% of gross proceeds that the holder may require the Company to use to redeem the April 2026 Notes New Note and in other cases.

Subject to the satisfaction of certain closing conditions, including the mutual agreement of the purchasers and us, further Additional Closings for an aggregate of up to $84,000,000 may occur from time to time hereafter. There can be no assurance that any further Additional Closings will occur.

At our 2026 Annual Meeting of stockholders (the "2026 Annual Meeting"), our stockholders approved, pursuant to Nasdaq Listing Rule 5635(d), the issuance of up to 26,779,029 shares of Common Stock upon conversion of the Initial April 2026 Notes and the Second April 2026 Notes and of up to an additional 179,213,485 shares of Common Stock upon conversion of Additional April 2026 Notes (in each case assuming that such notes accrue interest at 10% for a period of 12 months and that the conversion price is reduced to the floor price provided for in the April 2026 Notes). As a result of such approvals, commencing 120 calendar days following the date that the Initial April 2026 Notes were issued (September 1, 2026), the holders of outstanding April 2026 Notes shall have the right to complete an Alternate Conversion at the Alternate Conversion Price equal to the greater of (x) the April 2026 Note Floor Price and (y) 92% of the lowest VWAP in the ten trading days prior to the date of such Alternate Conversion.

From September 25, 2026 to October 1, 2026, certain of the purchasers converted Initial April 2026 Notes in the aggregate principal amount of $1,100,000, plus accrued interest of $44,000, into an aggregate of 773,236 shares of our common stock.

June 2026 Related Party Debt Exchange

On June 11, 2026, we entered into an exchange agreement with Index Equity US, LLC, a related party ("Index"), which was amended on June 15, 2026 (as amended, the "Index Exchange Agreement"), pursuant to which we exchanged $7,169,072.79 of principal and accrued interest outstanding (the "Index Outstanding Debt") under an Amended and Restated Promissory Note, dated January 1, 2025, originally issued by us to MCS Lending, LLC, a related party, and assigned to Index on June 9, 2026, for (i) 7,169 shares of a newly designated series of Series C Convertible Preferred Stock, par value $0.001 per share ("Series C Preferred Stock"), with a stated value of $1,000.00 per share, which are initially convertible, at the option of the holder, into an aggregate of 2,476,338 shares of common stock at an initial conversion price of $2.895 per share, and (ii) a common stock purchase warrant to purchase up to 619,084 shares of common stock at an initial exercise price of $2.895 per share, in each case subject to adjustment, stockholder approval (to the extent required under the applicable rules of Nasdaq) and certain beneficial ownership limitations. On June 11, 2026, we issued the shares of Series C Preferred Stock and such warrant to Index, and the note, and the Index Outstanding Debt due thereunder, was cancelled. Bjarne Borg, a member of our Board of Directors, is the manager of Index.

The terms of the Series C Preferred Stock are set forth in a Certificate of Designation filed with the Secretary of State of the State of Delaware on June 10, 2026. The conversion price of the Series C Preferred Stock is subject to proportional adjustment for stock dividends, stock splits and similar events, and to full-ratchet adjustment in connection with certain dilutive issuances, in each case subject to a floor price of $1.50 per share (with a cash true-up payable if a holder converts following a dilutive issuance that would otherwise have reduced the conversion price below such floor price). If the Series C Preferred Stock were converted in full at the floor price, we would issue up to 4,779,333 shares of common stock, not taking into account any dividends that may be paid in additional shares of Series C Preferred Stock. Dividends accrue on the Series C Preferred Stock at a rate of 8% per annum, compounding quarterly (increasing to 9% per annum if not paid in cash), and may be paid in cash, in additional shares of Series C Preferred Stock or by an increase in the stated value of the Series C Preferred Stock. Holders of the Series C Preferred Stock may not convert shares of Series C Preferred Stock to the extent that, after giving effect to such conversion, the holder, together with its affiliates, would beneficially own in excess of 4.99% (or, upon at least 61 days' prior notice to us, up to 19.99%) of our outstanding common stock. See Part I, Item 1. Financial Statements Note 10 – Stockholder's Equity included elsewhere in this Quarterly Report on Form 10-Q for additional information regarding the terms of the Series C Preferred Stock.

July 2026 Board Resignation and Employment Agreement

On July 1, 2026, James D. Burnham notified us of his decision to resign, effective as of such date, from his position as a member of our Board of Directors. Mr. Burnham's resignation was not related to any disagreement with us on any matter relating to our operations, policies or practices. In connection with his resignation, effective July 1, 2026, we entered into an employment agreement with Mr. Burnham, pursuant to which Mr. Burnham serves as our Director of Growth & M&A for an initial one-year term, subject to automatic one-year renewals unless either party provides notice of non-renewal at least 30 days prior to the expiration of the then-current term, at an annual base salary of $275,000, with a discretionary bonus of up to 15% of his base salary upon the achievement of objectives determined by our Board of Directors and eligibility for six months' severance upon a termination of his employment by us without cause. The amended and restated consulting agreement, dated June 2, 2025, between us and JDB Consulting Services, Inc., a company controlled by Mr. Burnham, pursuant to which Mr. Burnham previously provided services to us, was deemed terminated as of July 1, 2026.

August 2026 Norman Berry Sale Agreement

On August 17, 2026, Norman Berry II Owner, LLC ("Norman Berry"), a limited liability company that is 50% owned by us, entered into a Purchase and Sale Agreement (the "Norman Berry Sale Agreement") with Arbour Valley Development, LLC (the "Norman Berry Purchaser"), pursuant to which Norman Berry agreed to sell an approximately 7.7-acre parcel of land located in East Point, Fulton County, Georgia to the Norman Berry Purchaser for an aggregate purchase price of $2.6 million. Closing is subject to the satisfaction of various conditions, including the Norman Berry Purchaser's receipt of an allocation of tax credits from the Georgia State Agency under its 2026 application round (the award date for which is expected in March 2027), the completion of the Norman Berry Purchaser's due diligence and its ability to secure sufficient financing within 180 days following the expiration of the application period. At closing, Norman Berry is expected to apply approximately $800,000 of the proceeds, plus accrued interest, to repay two notes held by us that are secured by the property, with the remaining approximately $1.8 million to be split between the members of Norman Berry, of which our 50% share is expected to be approximately $900,000. There can be no assurance that the transaction will close or, if it closes, that the proceeds will be allocated as described above.

September 2026 Peak One Debenture

On September 17, 2026, we issued a debenture to Peak One Opportunity Fund, L.P. ("Peak One") in the principal amount of $310,000 for a purchase price of $250,000, reflecting an original issue discount of $60,000. After payment of a $7,500 closing fee, we received net proceeds of $242,500. The debenture matures on September 17, 2027 and is payable in monthly amortization payments commencing November 18, 2026 with the remaining balance due at maturity. The debenture bears interest at a rate of 10% per annum and is otherwise on substantially the same terms as the debenture we issued to Peak One on January 16, 2026.

September 2026 Related Party Debt Exchange

On September 30, 2026, we entered into an exchange agreement (the "Burnham Exchange Agreement") with James D. Burnham, our Director of Growth & M&A and a former member of our Board of Directors, pursuant to which we exchanged $1,446,774.32 of principal and accrued interest (the "Burnham Outstanding Debt") outstanding under a promissory note, dated June 2, 2025 for (i) 1,441 shares of a newly designated series of Series D Convertible Preferred Stock, par value $0.001 per share ("Series D Preferred Stock"), with a stated value of $1,000.00 per share, which are initially convertible into an aggregate of 497,754 shares of Common Stock at an initial conversion price of $2.895 per share, and (ii) a common stock purchase warrant to purchase up to 124,438 shares of common stock at an initial exercise price of $2.895 per share, which is immediately exercisable and has a term of five years. On September 30, 2026, we issued such securities and the note, and Burnham Outstanding Debt due thereunder, was cancelled. We filed the Certificate of Designation for the Series D Preferred Stock with the Secretary of State of the State of Delaware on October 2, 2026.

The Series D Preferred Stock is convertible only following receipt of stockholder approval in accordance with Nasdaq rules, and the conversion of the Series D Preferred Stock and the exercise of the warrant are subject to an exchange cap under Nasdaq rules and to a beneficial ownership limitation of 4.99% (which may be increased by the holder to up to 19.99% upon 61 days' prior notice). The conversion price of the Series D Preferred Stock is subject to proportional adjustment for stock dividends, stock splits and similar events and to full-ratchet adjustment in connection with certain dilutive issuances, in each case subject to a floor price of $1.50 per share (with a cash true-up payable if a holder converts following a dilutive issuance that would otherwise have reduced the conversion price below such floor price). If the Series D Preferred Stock were converted in full at the floor price, we would issue up to 960,666 shares of common stock, not taking into account any shares of Series D Preferred Stock or adjustments to the stated value that may result from the payment of dividends. Dividends accrue on the Series D Preferred Stock at a rate of 8% per annum, compounding quarterly (increasing to 9% per annum if not paid in cash). The Series D Preferred Stock carries a liquidation preference equal to 150% of its stated value, votes with the common stock on an as-converted basis (subject to the exchange cap and the beneficial ownership limitation) and may be redeemed by us after the 24-month anniversary of issuance at 115% of its stated value (or 110% of its stated value after the 36-month anniversary), plus accrued and unpaid dividends. If our common stock is delisted from Nasdaq for 30 or more consecutive trading days without relisting on an approved exchange, the holder may elect to exchange the Series D Preferred Stock for an unsecured promissory note bearing interest at 10% per annum with a

24-month maturity. See Part I, Item 1. Financial Statements Note 10 – Stockholder's Equity included elsewhere in this Quarterly Report on Form 10-Q for additional information regarding the terms of the Series D Preferred Stock.

November Debt Exchange

On November 2, 2026, we entered into an exchange agreement (the "Note Exchange Agreement") with an accredited investor (the "Investor"), pursuant to which we exchanged $1,022,971.22 of principal and accrued interest outstanding under a February 2026 Note (the "Prior Note"), for (i) a new senior convertible note (the "New Note") in the principal amount of $1,037,283.93 (an amount equal to 110% of the outstanding principal amount of the Prior Note), and (ii) a common stock purchase warrant to purchase 644,944 shares of common stock, which is equal to 180% of the face value of the New Note divided by $2.895. On November 2, 2026, we issued the New Note and the warrant, and the Prior Note and the outstanding debt due thereunder, was cancelled.

The New Note is initially convertible, at the option of the holder, at any time after the date of issuance, into that number of shares of common stock equal to the principal amount of the New Note, plus all accrued and unpaid interest and late charges and any other unpaid amounts, at the initial conversion price of $2.895 per share, subject to adjustment for any stock splits, stock dividends, recapitalizations and similar events. Subject to the receipt of stockholder approval, the holder of the New Note shall have the right, at any time after the receipt of stockholder approval, to convert the New Note, or any portion thereof, into shares of common stock (an "Alternate Conversion") at a conversion price (the "Alternate Conversion Price") equal to the greater of (x) a floor price of $0.534 (the "New Note Floor Price") and (y) 92% of the lowest VWAP in the ten trading days prior to the date of such Alternate Conversion

On November 16, 2026, in connection with the November Additional Closing, and as an inducement to the Investor's agreement to purchase additional securities in the November Additional Closing, we and the Investor entered into an Amendment to Senior Convertible Note (collectively, the "New Note Amendment"), pursuant to which the New Note was amended to provide that, in the event that the Investor elects to convert all or a portion of the New Note in an Alternate Conversion, and the New Note Floor Price is greater than 92% of the lowest VWAP in the ten trading days prior to the applicable conversion date, then in addition to receiving a number of shares of common stock equal to the quotient obtained by dividing the dollar amount of the New Note being converted by the New Note Floor Price, the Company shall also pay to the Investor cash as a true-up in an amount equal to the product of (i) any bid price of the Company's common stock, as reported by Bloomberg, selected by the holder from within the twenty minutes immediately preceding the delivery of the applicable conversion notice (or, if such conversion notice is delivered other than during regular trading hours on a trading day, the closing bid price on the most recent trading day ended prior to such delivery) and (ii) the difference obtained by subtracting (I) the number of shares of common stock delivered (or to be delivered) to the holder with respect to such Alternate Conversion from (II) the quotient obtained by dividing (x) the applicable amount of the note being converted in the Alternate Conversion by (y) the conversion price calculated using 92% of the lowest VWAP in the ten trading days prior to the applicable conversion date; provided, however, that any cash true-up payments that may be required under the New Note shall not exceed the three times the original principal amount of the New Note. Any cash true-up t payments to be made pursuant to the New Note Amendment shall be paid by the Company to the holder within two business days after the applicable conversion date. In addition to the foregoing, the New Note Amendment amended to the New Note to provide that, subject to certain exempt issuances, in the event that the Company sells, offers or grants any option or right to purchase, or otherwise disposes of or sells any equity security or equity-linked or related security, any convertible securities any preferred stock or other securities, while the New Note remains outstanding, the holder shall have the right to require the Company to (i) initially, pay any then unpaid and outstanding cash true-up amounts in full and (ii) thereafter, to apply up to 50%, in the event any cash true-up payments are owed as of such date, or 80%, in the event that the holder participates as an investor in such financing, of the gross proceeds from such financings to redeem all, or any portion, of the outstanding New Note and the April 2026 Notes (based on the investors' respective allocations) at a price equal to 110% of the amount of the New Note being redeemed, which are increases from the 30% of gross proceeds that the holder may require the Company to use to redeem the New Note and April 2026 Notes in other cases.

See Part I, Item 1. Financial Statements Note 16 – Subsequent Events included elsewhere in this Quarterly Report on Form 10-Q for additional information regarding the terms of the Note Exchange Agreement, New Note and the warrant issued to the Investor, as well as the New Note Amendment.

Loeb Refinancing

On November 6, 2026, our subsidiaries ZEI and Resource issued a Second Amended and Restated Term Promissory Note (the "2nd A&R Loeb Note") to Loeb Term Solutions LLC ("Loeb") in the principal amount of $1,997,780, which amended and restated the note payable to Loeb described in Note 7 – Notes Payable and Notes Payable – Related Party. The 2nd A&R Loeb Note bears interest at the Wall Street Journal prime rate plus 6.5% per annum (the "Loeb Interest Rate"), and is payable in 35 monthly installments of principal and interest, calculated on a five-year amortization schedule, with a final balloon installment of all outstanding principal, accrued interest and other amounts due on the first day of the thirty-sixth month following the effective date (November 1, 2029). Notwithstanding the foregoing, from and after the occurrence of a default under the 2nd A&R Loeb Note, and for so long as such default continues, the applicable interest rate shall be increased to the Loeb Interest Rate plus 6% per annum. The 2nd A&R Loeb Note was issued to Loeb pursuant to a Second Amended and Restated Credit Agreement entered into by and among the parties, which amends and restates in all respects that Credit and Security Agreement entered into by and among the parties on September 7, 2023, remains secured by equipment of the borrowers, and did not constitute a novation of the existing indebtedness. See Part I, Item 1. Financial Statements Note 16 – Subsequent Events included elsewhere in this Quarterly Report on Form 10-Q for additional information.

Results of Operations for the Three Months Ended September 30, 2026 and Three Months Ended September 30, 2025

The following table sets forth, for the periods indicated, the dollar value represented by certain items in our Statements of Operations:

	For the Three Months Ended September 30, 2026	For the Three Months Ended September 30, 2025
Revenues	$ 4,485,401	$ 3,515,708
Cost of revenue	2,949,075	2,607,085
Total payroll and related expenses	1,259,570	1,038,146
Total general and administrative expenses	1,496,332	1,275,276
Total professional and consulting fees	754,706	760,840
Total marketing and business development expenses	1,034,464	166,666
Total bad debt expense	-	-
Operating loss	(3,008,746)	(2,332,305)
Interest expense	(5,660,849)	(2,004,260)
Interest income	-	(62,325)
Gain on sale of equipment	14,093	-
Loss on exchange transaction	(32,794)	-
Other income	(2,143)	48,569
Net loss	$ (8,690,439)	$ (4,350,321)

Revenues

During the three months ended September 30, 2026 and 2025, we generated revenues of $4,485,401 and $3,515,708, respectively, primarily from logistics, collection, processing and disposal services provided by our subsidiary ZEI ($3,395,298 for the 2026 period), and from the sale of materials, including compost, engineered soils, and mulch, by Resource Group ($1,090,103 for the 2026 period). Revenues also included proceeds from converting a portion of collected waste into saleable materials. This increase of $969,693 resulted from an increased focus in our core business which we acquired in June 2025.

Cost of Revenues

Cost of revenue for the three months ended September 30, 2026, were $2,949,075 compared to $2,607,085 for the three months ended September 30, 2025. This increase of $341,990 in costs resulted primarily from our corresponding increase in revenue during the three months ended September 30, 2026. Gross profit for the three months ended September 30, 2026 was $1,536,326, representing a gross margin of approximately 34.3%.

Payroll and Related Expenses

Payroll and related expenses for the three months ended September 30, 2026 were $1,259,570 compared to $1,038,146 for the three months ended September 30, 2025. This increase of $221,424 in expenses resulted primarily from additional employees hired to support the growth of our logistics and compost sales operations following the acquisition of Resource Group.

Marketing and Business Development Expenses

Marketing and business development expenses for three months ended September 30, 2026 were $1,034,464 compared to $166,666 for the three months ended September 30, 2025. This increase resulted from additional spending on marketing related activities during the three months ended September 30, 2026.

General And Administrative Expenses

General and administrative expenses for three months ended September 30, 2026 were $1,496,332 compared to $1,275,276 for the three months ended September 30, 2025. This increase of $221,056 resulted primarily from increased overhead to support our continued growth in revenues.

Professional and Consulting Fees

Professional and consulting fees for three months ended September 30, 2026 were $754,706 compared to $760,840 for the three months ended September 30, 2025.

Interest Expense

During the three months ended September 30, 2026 and 2025, we incurred $5,660,849 and $2,004,260 of interest expense. This increase of $3,656,589 resulted from an increase in the balance of our notes payable as well as an increase in amortization of debt issuance costs.

Interest Income

During the three months ended September 30, 2026 and 2025, we earned $0 and we removed $62,325 of interest income, respectively. This resulted from the reversal of accrued interest on loans due to uncertainty of collectability during the three months ended September 30, 2025.

Loss on Exchange Transaction

During the three months ended September 30, 2026 and 2025, we recognized a loss on exchange transactions of $32,794 and $0, respectively.

Results of Operations for the Nine Months Ended September 30, 2026 and Nine Months Ended September 30, 2025

The following table sets forth, for the periods indicated, the dollar value represented by certain items in our Statements of Operations:

	For the Nine Months Ended September 30, 2026	For the Nine Months Ended September 30, 2025
Revenues	$ 12,699,431	$ 4,936,388
Cost of revenue	8,473,154	3,476,441
Total payroll and related expenses	3,325,263	2,175,571
Total general and administrative expenses	4,834,143	3,154,765
Total professional and consulting fees	2,508,187	1,228,020
Total marketing and business development expenses	2,332,334	407,105
Total bad debt expense	-	3,025,000
Operating loss	(8,773,650)	(8,530,514)
Interest expense	(9,802,032)	(3,789,105)
Change in fair value of derivative liability	(1,268,162)	-
Loss on settlement of derivative liability	(3,881,922)	-
Interest income	-	(14,653)
Loss on sale of equipment	(66,196)	-
Loss on exchange transaction	(2,247,921)	-
Other income	1,227	80,000
Net loss	$ (26,038,656)	$ (12,254,272)

Revenues

During the nine months ended September 30, 2026 and 2025, we generated revenues of $12,699,431 and $4,936,388, respectively, primarily from logistics, collection, processing and disposal services provided by our subsidiary ZEI ($9,612,593 for the 2026 period), and from the sale of materials, including compost, engineered soils, and mulch, by Resource Group ($3,086,838 for the 2026 period). Revenues also included proceeds from the conversion of a portion of collected waste into saleable materials. For the nine months ended September 30, 2025, we generated revenues from commissions on residential real estate purchases and sale transactions amounting to $18,170. This increase of $7,763,043 resulted from the acquisition of Resource Group during 2025 and the resulting change of focus in our core business.

Cost of Revenues

Cost of revenue for the nine months ended September 30, 2026, were $8,473,154 compared to $3,476,441 for the nine months ended September 30, 2025. This increase of $4,996,713 in costs resulted primarily from additional revenues generated as a result from the acquisition of Resource Group and the resulting change of focus in our core business. Gross profit for the nine months ended September 30, 2026 was $4,226,277, representing a gross margin of approximately 33.3%.

Payroll and Related Expenses

Payroll and related expenses for the nine months ended September 30, 2026 were $3,325,263 compared to $2,175,571 for the nine months ended September 30, 2025. This increase of $1,149,692 in expenses resulted primarily from additional employees hired to support the growth of our logistics and compost sales operations following the acquisition of Resource Group.

Marketing and Business Development Expenses

Marketing and business development expenses for nine months ended September 30, 2026 were $2,332,334 compared to $407,105 for the nine months ended September 30, 2025. This increase resulted from additional spending on marketing related activities during the nine months ended September 30, 2026.

General And Administrative Expenses

General and administrative expenses for nine months ended September 30, 2026 were $4,834,143 compared to $3,154,765 for the nine months ended September 30, 2025. This increase of $1,679,378 resulted primarily from a full nine months of Resource Group and ZEI operating overhead, including insurance, facility and vehicle-related costs, and from the increased costs of operating as a public company.

Professional and Consulting Fees

Professional and consulting fees for nine months ended September 30, 2026 were $2,508,187 compared to $1,228,020 for the nine months ended September 30, 2025. This increase of $1,280,167 resulted primarily from the increased cost of professional fees in relation of being a public company, including increased audit and accounting fees, legal fees associated with our financing transactions and registration statements, and consulting fees supporting the integration of Resource Group.

Interest Expense

During the nine months ended September 30, 2026 and 2025, we incurred interest expense of $9,802,032 and $3,789,105, respectively. This increase of $6,012,927 resulted from an increase in the balance of our notes payable as well as an increase in amortization of debt issuance costs.

Change in fair value of derivative liability

During the nine months ended September 30, 2026 and 2025, we incurred $1,268,162 and $0 of change in fair value. This increase of $1,268,162 resulted from a derivative liability balance during the nine months ended September 30, 2026.

Loss on settlement of derivative liability

During the nine months ended September 30, 2026 and 2025, we incurred $3,881,922 and $0 of loss on settlement. This increase of $3,881,922 resulted from the settlement of derivative liability balance during the nine months ended September 30, 2026.

Interest Income

During the nine months ended September 30, 2026 and 2025, we earned $0 and we removed $14,653 of interest income, respectively. This resulted from the reversal of accrued interest on loans due to uncertainty of collectability during the three months ended September 30, 2025.

Loss on Exchange Transaction

During the nine months ended September 30, 2026 and 2025, we recognized a loss on exchange transactions of $2,247,921 and $0, respectively.

Income Tax Provision

A 100% valuation allowance was provided against the deferred tax asset consisting of available net operating loss carry forwards and, accordingly, no income tax benefit was provided.

Liquidity and Capital Resources

We have generated limited revenue and have incurred significant net losses in each year since inception. For the nine months ended September 30, 2026, we incurred a net loss of $26,038,656 as compared to a net loss of $12,254,272 for the nine months ended September 30, 2025. We expect to incur increasing losses in the future. As of September 30, 2026 and December 31, 2025, we had cash of $201,379 and $54,066, respectively. Since becoming a public company, we have funded our operations through note financings, project level financings, and the issuance of our equity and debt securities. See Part I, Item 1. Financial Statements; Note 7– Notes Payable and Notes Payable– Related Party, Note 10 – Stockholder's Equity and Note 16-Subsequent Events. We intend to continue to finance our operations and finance Resource Group's expansion if needed from the proceeds of future financings, proceeds from the sale of properties, and future revenues from operations. As of the date of the filing of this Quarterly Report on Form 10-Q, we do not have any committed sources of financing. Although the April 2026 Purchase Agreement provides for the funding of up to an additional $84,000,000, such funding is subject to the purchasers' discretion and our ability to meet certain conditions and there can be no assurance that we will be able to access such funding. Additional financing will be required to continue operations, which may not be available at acceptable terms, if at all. There is no guarantee we will be successful in raising capital outside of our current sources. In addition, under the purchase agreements from our recent private placement offerings, we are subject to certain restrictive covenants that may make it difficult for us to procure additional financing.Our current cash, together with the net proceeds of the November Additional Closing under the April 2026 Purchase Agreement completed in November 2026, is anticipated to be sufficient to fund operations into the first quarter of 2027. We expect that we will need additional future financing in the near term which may not be available on acceptable terms, if at all. These and other factors raise substantial doubt about our ability to continue as a going concern. The report of our independent registered public accounting firm includes an explanatory paragraph that our auditors have expressed substantial doubt that we will be able to continue as a going concern.

Financing Activities

The following table represents our financing activities during the nine months ended September 30, 2026. See Part I, Item 1. Financial Statements Note 7– Notes Payable and Notes Payable– Related Party, Note 10 -Stockholder's Equity to the financial statements included elsewhere in this Quarterly Report for additional information regarding our financing activities.

	Balance as of December 31, 2025	Additions	Payments or Conversions	Balance as of September 30, 2026
LV Note	$ 1,000,000	$ -	$ -	$ 1,000,000
2nd Lien Note	1,000,000	-	-	1,000,000
New BCV Loan Agreement	2,000,000	1,738,400	-	3,738,400
1800 Diagonal Notes	478,610	489,310	(493,480)	474,440
Cedar Cash Advances	427,000	138,000	(514,944)	50,056
CFG Merchant Solutions	-	278,000	-	278,000
Boot Capital	87,750	-	(87,750)	-
Sixth Borough	250,000	-	(250,000)	-
Member Note	480,000	-	-	480,000
Peak One	-	620,000	(310,000)	310,000
Anson East Master Fund LP	-	6,720,000	(1,275,000)	5,445,000
Anson Investment Master Fund LP	-	9,105,000	(4,462,500)	4,642,500
Alto Opportunity Master Fund, SPC	-	3,376,973	(212,500)	3,164,473
Acquisition Related Notes and Additional Equipment Loan and Cash Advances *	15,788,293	2,143,051	(7,344,820)	10,586,524
	$ 21,511,653	$ 24,608,734	$ (14,950,994)	$ 31,169,393

* *Includes notes payable amounts acquired in connection with the Resource Group acquisition, as well as additional financing needs of our Resource and ZEI activities.*

Cash Flow Summary

	For the Nine Months Ended September 30, 2026	For the Nine Months Ended September 30, 2025
Net cash provided by (used in):		
Operating activities	$ (7,398,530)	$ (425,565)
Investing activities	(2,191,941)	129,774
Financing activities	9,737,784	(107,079)
Net change in cash and cash equivalents	$ 147,313	$ (402,870)

Operating activities used net cash of $7,398,530 during the nine months ended September 30, 2026, and used net cash of $425,565 during the nine months ended September 30, 2025. Cash used in operating activities increased by $6,972,965 due to an increase of net loss of $13,784,384, partially offset by a $5,150,084 increase in the change in fair value of and loss on settlement derivative liabilities as well as $2,247,921 in loss on exchange transaction. Additional factors impacting operating cash flows included an increase in depreciation expense of $1,005,747, an increase in amortization of debt issuance costs of $4,514,817, and a decrease in stock-based compensation of $177,011, as well as common stock issued for services of $221,558 in 2026 compared to no such issuance in 2025. Changes in operating assets and liabilities also contributed to the increase in cash used, which amounted to $2,473,635 during 2026 compared to $5,414,752 during 2025.

Investing activities used net cash of $2,191,941 during the nine months ended September 30, 2026, and provided net cash of $129,774 during the nine months ended September 30, 2025, which is an increase in cash used of $2,321,715. This change results from an increase in proceeds from sale of property and equipment of $39,093, decrease in intangible assets of $6,668, increase in the purchase of property and equipment of $2,033,169, and an increase in additions to equity based investments $21,300.

Cash provided from financing activities was $9,737,784 during the nine months ended September 30, 2026, which resulted from $2,416,365 in debt issuance costs paid, $191,245 in finance lease payments, increased by $18,582,820 proceeds from short-term note payable, $3,468,237 in repayments of short-term notes payable and $2,769,189 of cash payments on derivative liabilities. Cash used in financing activities was $107,079 during the nine months ended September 30, 2025, which resulted from $361,477 debt issuance costs paid, increased by $1,756,892 proceeds from short-term note payable, $2,276,653 in repayments of short-term notes payable, $233,414 received from warrant exercises, $602,835 received from the issuance of common stock, $62,032 payments on finance lease and $58 from payment related to stock splits.

Off-Balance Sheet Arrangements

As of September 30, 2026 and December 31, 2025, we had no material off-balance sheet arrangements to which we are a party.

Critical Accounting Estimates

Our financial statements have been prepared using generally accepted accounting principles in the United States of America (“GAAP”). In connection with the preparation of the financial statements, we are required to make assumptions and estimates and apply judgments that affect the reported amounts of assets, liabilities, revenue, and expenses, and the related disclosures. We base our assumptions, estimates, and judgments on historical experience, current trends, and other factors that we believe to be relevant at the time the financial statements are prepared. On a regular basis, we review the accounting policies, assumptions, estimates, and judgments to ensure that our financial statements are presented fairly and in accordance with GAAP. However, because future events and their effects cannot be determined with certainty, actual results could differ from our assumptions and estimates, and such differences could be material.

Our significant accounting policies are discussed in “Note 2— Summary of Significant Accounting Policies” of the notes to our financial statements for the nine months ended September 30, 2026 and the year ended December 31, 2025 included elsewhere in this Form 10-Q. We believe that the following accounting policies are the most critical in fully understanding and evaluating our reported financial results.

Investment Entities — The Company obtained a 50% membership interest in Norman Berry. The purpose of the investment in Norman Berry is to develop and provide affordable housing in the Atlanta, Georgia metropolitan area. The Company has determined it is not the primary beneficiary of Norman Berry and thus does not consolidate the activities in its financial statements. The Company uses the equity method to report the activities as an investment in its condensed consolidated financial statements. As of September 30, 2026 the Company continued to hold a 50% interest in Norman Berry. The Norman Berry partnership recently obtained final city council and entitlement approval for the project. The next step involves completing the consolidation of the various lots into a single parcel, and the Company's development team and surveyors are preparing the required documentation and submittals for city review and approval. Survey documents reflecting the approved M-I zoning designation are expected to be submitted to the city's Planning Department for administrative review to obtain final parcel-map approval.In August 2026, Norman Berry entered into the Norman Berry Sale Agreement to sell the East Point property for $2.6 million, subject to the closing conditions described under "Recent Developments" above.

During the nine months ended September 30, 2026 and 2025, Norman Berry did not have any material earnings or losses as the investments are in development. In addition, management believes there was no impairment as of September 30, 2026 and December 31, 2025.

Property, plant and equipment — Property, plant and equipment is stated at cost. Depreciation is computed using the straight-line method over the estimated lives of each asset. Repairs and maintenance are charged to expense when incurred. Included in property, plant and equipment, are recoverable reserves acquired in connection with the Resource acquisition described below. Such reserves represent the approximately 9 million tons of entitled sand reserves on the land obtained in connection with the Resource acquisition as well. The estimated amount was based on third-party engineering and appraisal reports. Cost depletion on these depletable reserves is based upon units-of-production.

Intangible assets — Intangible assets consist of $22,210 of website costs that will be amortized over 5 years, $5,458,400 of trade name that will be amortized over 15 years, and $6,368,100 of a license agreement that will be amortized over 10 years which is the life of the license.

Project Development Costs — Project development costs are stated at cost. At September 30, 2026 and December 31, 2025, the Company's project development costs are expenses incurred related to development costs on various projects that are capitalized during the period the project is under development.

JOBS Act

The JOBS Act permits an emerging growth company such as us to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies until those standards would otherwise apply to private companies. We have elected to avail ourselves of the extended transition period for complying with new or revised financial accounting standards.

We will remain an emerging growth company until the earliest of (i) the last day of the fiscal year (a) following the fifth anniversary of the date of the first sale of our common stock pursuant to an effective registration statement under the Securities Act, (b) in which we have total annual revenue of at least $1.235 billion, or (c) in which we are deemed to be a large accelerated filer, which generally means the market value of our common equity that is held by non-affiliates exceeds $700 million as of the end of the prior fiscal year's second fiscal quarter; and (2) the date on which we have issued more than $1 billion in non-convertible debt securities during the prior three-year period.

ITEM 3. Quantitative and Qualitative Disclosures About Market Risk

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information required under this item.

ITEM 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures designed to provide reasonable assurance that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosures.

Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, conducted an evaluation, as of the end of the period covered by this report, of the effectiveness of our disclosure controls and procedures, as such term is defined in Exchange Act Rule 13a-15(e). Based on this evaluation, our Chief Executive Officer and our Chief Financial Officer have concluded that as of the end of the period covered by this report, our disclosure controls and procedures, as defined in Rule 13a-15(e), were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

During the fiscal quarter ended September 30, 2026 there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls or our internal control over financial reporting will prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Further, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Projections of any evaluation of controls effectiveness to future periods are subject to risks. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures.

PART II. OTHER INFORMATION

ITEM 1. Legal Proceedings

The information included in "Note 14 - Commitments and Contingencies" of our condensed consolidated financial statements included elsewhere in this Quarterly Report Form on 10-Q is incorporated by reference into this Item.

ITEM 1A. Risk Factors

Except as set forth below, there have been no material changes in our risk factors from the risks previously reported in Part I, Item 1A, "Risk Factors" of our 2025 10-K. You should carefully consider the factors discussed here and in our 2025 10-K, which could materially affect our business, financial condition or future results. The risks described here and in our 2025 10-K are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results. We may disclose changes to such factors or disclose additional factors from time to time in our future filings with the SEC.

Our auditors have expressed substantial doubt about our ability to continue as a going concern.

We have generated limited revenue and have incurred significant net losses in each year since inception. For the nine months ended September 30, 2026, we incurred a net loss of $26,038,656 as compared to a net loss of $12,254,272 for the nine months ended September 30, 2025. We expect to incur increasing losses in the future. We cannot offer any assurance as to our future financial results. Our inability to achieve profitability from our current operating plans or to raise capital to cover any potential shortfall would have a material adverse effect on our ability to meet our obligations as they become due. If we are not able to secure additional funding, if, and when needed, we would be forced to curtail our operations or take other action in order to continue to operate. These and other factors raise substantial doubt about our ability to continue as a going concern. If we are unable to meet our obligations and are forced to curtail or cease our business operations, our stockholders could suffer a complete loss of any investment made in our securities.

We will need to raise additional capital to support our long-term business plans and our failure to obtain funding when needed may force us to delay, reduce or eliminate our development plans.

During the nine months ended September 30, 2026, our operating activities used net cash of $7,398,530 and as of September 30, 2026, our cash was $201,379. We have experienced significant losses since inception and have a significant accumulated deficit as of September 30, 2026 totaling $58,450,625. We expect to incur additional operating losses in the future and therefore expect our cumulative losses to increase. To date, we have not derived substantial revenue from the properties we own or have an interest in. We expect to potentially generate revenue through our growth of our compost and logistics businesses and sales of property, if any. There is uncertainty as to our ability to monetize our real estate properties or to generate sales proceeds. We expect our expenses to increase as operations increase from our compost and logistics businesses.

Although we have raised approximately $24.3 million from the sale of securities in the past twelve months, unless we generate significant revenue from our compost and logistics businesses, we believe we will need to raise additional capital to fund our business expansion plans and we cannot be certain that funding will be available to us on acceptable terms on a timely basis, or at all. To meet our financing needs, we are considering multiple alternatives, including, but not limited to, additional equity and debt financings. As of the date of the filing of this Quarterly Report on Form 10-Q, we do not have any committed sources of financing. Although the April 2026 Purchase Agreement provides for the funding of up to an additional $84,000,000, such funding is subject to the purchasers' discretion and our ability to meet certain conditions and there can be no assurance that we will be able to access such funding. Our ability to raise capital through the sale of securities may be limited by various rules of the SEC and Nasdaq that place limits on the number and dollar amount of securities that we may sell. Any additional sources of financing will likely involve the issuance of our equity or debt securities, which will have a dilutive effect on our stockholders. To the extent that we raise additional funds by issuing equity securities, our stockholders may experience significant dilution. Any debt financing, if available, may involve restrictive covenants that may impact our ability to conduct our business. Our current outstanding debentures prohibit us from engaging in certain types of financing while the debentures are outstanding. If we fail to raise additional funds on acceptable terms, we may be unable to complete planned development work.

Under the February 2026 Purchase Agreement and April 2026 Purchase Agreement, we are subject to certain restrictive covenants that may make it difficult to procure additional financing.

The February 2026 Purchase Agreement and April 2026 Purchase Agreement contain restrictive covenants which restrict our ability to issue securities or file additional registration statements , including, under the April 2026 Purchase Agreement, restrictions on the issuance of common stock and common stock equivalents until 30 trading days following the effectiveness of each applicable resale registration statement, a prohibition on Variable Rate Transactions (as defined therein) for so long as the April 2026 Notes remain outstanding, and the right of the purchasers to participate in up to 50% of certain subsequent financings, including debt financings, until 12 months after the April 2026 Notes are no longer outstanding. If we require additional funding while these restrictive covenants remain in effect, we may be unable to effect a financing transaction on terms acceptable to us, or at all, while also remaining in compliance with the terms of the respective purchase agreements, or we may be forced to seek a waiver from the purchasers party to the February 2026 and April 2026 Purchase Agreements, which such purchasers are not obligated to grant to us.

On April 8 and April 9, 2026, we entered into a consent and waiver agreement extending certain deadlines under the February 2026 Purchase Agreement; our failure to satisfy our remaining obligations thereunder could result in additional covenant remedies or require further negotiation with the investors.

Pursuant to the consent and waiver agreement entered into with the investors in the February 2026 Private Placement on April 8 and April 9, 2026, we obtained extensions of the deadlines by which we must (i) file a proxy statement and hold a stockholder meeting to obtain stockholder approval of the exercise of the Second February Warrants; and (ii) cause an initial registration statement registering the resale of the shares of Common Stock issuable upon conversion and exercise of the February 2026 Notes and certain of the February 2026 Warrants to be declared effective by the SEC. Stockholder approval was obtained at our 2026 Annual Meeting held on June 12, 2026, satisfying the extended proxy and stockholder meeting deadlines and the initial resale registration statement related to the February 2026 Private Placement was declared effective on April 15, 2026. However, as of the date of this Quarterly Report on Form 10-Q, we have not filed an additional registration statement to register the shares of common stock issuable upon exercise of the Second February 2026 Warrants, and are therefore not in compliance with all of our remaining obligations.

A registration default under the Registration Rights Agreement we entered into in connection with the April 2026 Private Placement could result in liquidated damages obligations that would adversely affect our cash position.

Pursuant to the Registration Rights Agreement, as amended by the April 2026 SPA & RRA Amendment (the "April 2026 RRA") that we entered into with the investors in connection with the April 2026 Private Placement, we are obligated to file and maintain the effectiveness of one or more registration statements covering the resale of the shares of common stock issuable upon conversion of the Initial April 2026 Notes and Second April 2026 Notes, additional shares of our common stock that may become issuable under the Initial April 2026 Notes and Second April 2026 Notes as a result of an Alternate Conversion, as well certain additional shares of our common stock that may be issuable upon conversion or exercise of additional April 2026 Notes or April 2026 Warrants that we may sell and issue to the purchasers in one or more Additional closings pursuant to the April 2026 Purchase Agreement. Pursuant to the April 2026 RRA, if we fail to satisfy our registration obligations under the April 2026 RRA, including by failing to file or obtain or maintain the effectiveness of the required registration statements within specified time frames, we may be required to pay liquidated damages to the investors.

Unless waived by the investors, we may be required to pay liquidated damages due to our failure to fulfill all of our obligations under the April 2026 RRA.

Our processing and transportation operations depend on a fleet of specialized equipment financed through multiple lenders, and the unavailability of equipment or equipment financing could impair our operational capacity.

Our biomass recycling and logistics operations rely on a fleet of specialized processing equipment and transportation vehicles, including trommel screeners, grinders, shredders, and grapple trucks, a significant portion of which is financed through secured lending arrangements with third-party lenders. Effective December 30, 2025, our wholly owned subsidiary Resource Group LLC entered into two Negotiable Promissory Notes and Security Agreements with Commercial Credit Group in the aggregate original principal amount of approximately $2.55 million to finance the acquisition of a Komptech Crambo shredder and a Diamond Z horizontal grinder. These notes are secured by substantially all of the assets of Resource Group LLC. A default under any of our equipment financing arrangements, or our inability to obtain financing for additional equipment on commercially reasonable terms, could impair our operational capacity and adversely affect our business, financial condition, and results of operations.

Our legacy real estate monetization efforts are subject to significant execution risk, and we may not realize the anticipated proceeds from our legacy real estate portfolio.

We continue to pursue the monetization of our legacy real estate holdings, including through sales, joint ventures, and conveyances to secured creditors. On January 6, 2026, our wholly owned subsidiary LV Peninsula Holding, LLC delivered a Deed in Lieu of Foreclosure conveying title to our Lake Travis project site in Lago Vista, Texas, to an institutional lender in exchange for the conditional extinguishment of $5.0 million of outstanding secured debt. Although we retain the right to receive 70% of any net sale proceeds above $5.0 million upon the lender's disposition of the Lago Vista property, and we may receive payment on a conditional $5.0 million promissory note issued by LV Peninsula in certain circumstances, there can be no assurance that any such proceeds or payments will be realized or that the amounts realized will be material. Additional risks affect our remaining legacy real estate holdings, including the Norman Berry Village joint venture in East Point, Georgia (as to which the first lien note held by us matured on March 11, 2025 and remains in default),and as to which the joint venture entered into an agreement in August 2026 to sell the property for $2.6 million, subject to the purchaser's receipt of an allocation of state tax credits, its ability to obtain financing and other conditions that may not be satisfied), our interest in JDI-Cumberland Inlet, LLC (which filed for bankruptcy protection in May 2025, and from which we have not received any proceeds as of the date of this Quarterly Report), and the McLean Mixed Use Site in Durant, Oklahoma (subject to a Lis Pendens filed by the Durant Industrial Authority). Any failure to monetize our legacy real estate holdings on commercially reasonable terms, or at all, could adversely affect our liquidity and financial position.

We are dependent on a limited number of customers and a limited number of commercial drivers, and the loss of key customers or drivers could adversely affect our business.

Our biomass recycling and logistics businesses currently serve a limited set of customers, including municipal entities, construction contractors, landscaping companies, and a multi-billion-dollar national waste management company. In addition, our logistics operations depend on a small number of licensed commercial drivers. The loss of any significant customer, or an inability to recruit, train, and retain qualified drivers, could materially impair our transportation capacity and revenues, adversely affect our margins, and require us to incur incremental costs to replace lost business or personnel.

We are subject to extensive federal, state, and local environmental laws and regulations, and changes in those laws and regulations may increase our operating costs or expose us to liability.

Our engineered soils, remediation, organics processing, and logistics operations involve the handling, transport, and processing of materials that are subject to federal, state, and local environmental laws and regulations, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act. Liability under such laws may be imposed on a strict, joint and several basis, and may be imposed even for contamination not caused by our own operations. Changes in environmental laws, regulations, or enforcement priorities including policies relating to landfill bans, organics diversion mandates, air quality, and water quality could impose additional costs and limitations on our operations and adversely affect our competitive position.

We face risks related to supply of organic feedstocks, vehicle and equipment supply chains, fuel costs, and material price volatility, any of which could adversely affect our margins.

Our operations rely on a consistent and cost-effective supply of organic feedstocks, amendments, vehicle fuel, and specialized equipment. Disruptions in the supply chain for any of these inputs, or sustained increases in fuel or input costs, could reduce our operating margins, impair our ability to fulfill customer orders, and adversely affect our business, financial condition, and results of operations.

A substantial portion of our outstanding indebtedness has matured or requires significant payments in the near term, and our failure to repay, refinance or restructure such indebtedness could materially and adversely affect our business, financial condition and results of operations.

A significant portion of our outstanding indebtedness has matured or requires substantial debt service payments in the near term. The Initial April 2026 Notes, of which $5,200,000 aggregate principal amount was outstanding as of the date hereof, mature on May 4, 2027, the Second April 2026 Notes, in the aggregate principal amount of $6,228,988 mature on August 26, 2027, and t and the Second April 2026 Notes, of which $5,662,716.07 aggregate principal amount was outstanding as of the date hereof, mature on August 26, 2027. he additional April 2026 Notes, in the aggregate principal amount of $3,000,000, sold in the November Additional Closing mature on November 16, 2027, in each case subject to extension in certain circumstances, to the extent not earlier converted. The New Note, in the principal amount of $1,037,283.93, will mature on November 2, 2027. In addition, as a result of the April 2026 Note Amendments and the New Note Amendment entered into on November 16, 2026, we may be required to make significant cash true up payments, in an amount not to exceed three times the original principal amount of such notes, in the event that the holders of the April 2026 Notes or the New Note convert all or a portion of their notes in an Alternate Conversion at the Floor Price and may also be required to use a significant portion of any amounts that we receive from future payments to redeem outstanding April 2026 Notes and the New Note. Our note payable to Loeb requires a payment of approximately $1.8 million at its September 7, 2027 maturity. In November 2026, we refinanced our note payable to Loeb; the 2nd A&R Loeb Note, in the principal amount of $1,997,780, bears interest at the prime rate plus 6.5% per annum, amortizes on a five-year schedule and requires a balloon payment of the remaining balance at its maturity three years after issuance; provided, however, that such interest rate shall be increased by 6% in the event of, and for the duration of, any event of default under the 2nd A&R Loeb Note. In addition, certain of our notes payable, including a $2.5 million mortgage note payable to the Gail Baird Foundation that matured on April 21, 2025 and a $50,000 note that matured on April 30, 2025, were not repaid at maturity; although the applicable lenders have not declared these notes in default and we have continued to pay interest thereon, the lenders could elect to exercise remedies, and unpaid matured indebtedness could trigger cross-default provisions in our other debt instruments. If we are unable to pay, refinance, restructure or otherwise satisfy our indebtedness as it becomes due, whether with the proceeds of other financings or cash from operations, our lenders could exercise remedies against us and our assets, including collateral securing certain of these obligations, and we could be forced to curtail our operations, which would materially and adversely affect our business, financial condition and results of operations.

We have made a significant investment in the Microtec UTM 1200 Turbo Mill system at our Myakka City facility, and we may not complete commissioning on our anticipated timeline or realize the anticipated benefits of the system.

We have invested in excess of $1.8 million (payments to date approximately $1.8 million against an approximately $2.0 million program) in the UTM 1200 system and its related structure at our Myakka City facility. As of the date of this Quarterly Report on Form 10-Q, material handling integration, electrical interconnection and energization, and commissioning of the system have not been completed. The completion of these milestones depends on third-party contractors, equipment suppliers and the regional electric utility, which are out of our control and may be delayed or cost more than we anticipate. Even if the system is commissioned on our expected timeline, it may not achieve its anticipated throughput or product specifications, and we may be unable to develop customer demand for engineered substrate products at the volumes, prices and margins we anticipate. Any of these events could materially adversely affect our business, financial condition and results of operations.

Risks Related to Our Common Stock

The 1-for-20 Reverse Stock Split may not achieve its intended effect and may adversely affect the liquidity of our common stock.

On March 26, 2026, we effected the 1-for-20 Reverse Stock Split. The Reverse Stock Split reduced the number of our outstanding shares of common stock from approximately 50,000,000 to approximately 2,507,537. Although the Reverse Stock Split was effected to, among other things, raise the per-share trading price of our common stock to allow for continued listing on The Nasdaq Capital Market, there can be no assurance that the Reverse Stock Split will have the desired effect of sufficiently raising the per-share trading price of our common stock over the long term, that any resulting price level will be maintained, or that the Reverse Stock Split will not adversely affect the liquidity of our common stock. For example, since completion of the Reverse Stock Split, the price of our common stock has dropped and, as of November 10, 2026, the closing price of our common stock was $1.03, which is below the $1.00 minimum price required by Nasdaq. In addition, the reduction in the number of outstanding shares may decrease trading volume, increase price volatility, and adversely affect the market price of our common stock. In addition, on June 12, 2026, our stockholders approved an amendment to our Amended and Restated Certificate of Incorporation, as amended, to effect, at the discretion of our Board of Directors, an additional reverse stock split of our issued and outstanding common stock at a ratio of between 1-for-5 and 1-for-10. If our stock price does not increase, we may be required to effect another reverse stock split in order to satisfy the continued listing requirements of Nasdaq. If our Board of Directors effects such a reverse stock split, it would further reduce the number of our outstanding shares of common stock and would be subject to the same risks described above, and there can be no assurance that it would achieve its intended effects.

If we fail to comply with the continued listing requirements of Nasdaq, our common stock may be delisted and the price of our Common Stock and our ability to access the capital markets could be negatively impacted.

Our common stock is currently listed for trading on Nasdaq. We must satisfy Nasdaq's continued listing requirements, including, among other things, a minimum stockholders' equity of $2.5 million and a minimum closing bid price of $1.00 per share or risk delisting, which would have a material adverse effect on our business. A delisting of our common stock from Nasdaq could materially reduce the liquidity of our common stock and result in a corresponding material reduction in the price of our common stock. In addition, delisting could harm our ability to raise capital through alternative financing sources on terms acceptable to us, or at all, and may result in the potential loss of confidence by investors, suppliers, customers and employees and fewer business development opportunities.

On January 26, 2026, we received a letter from Nasdaq notifying us that for the preceding 30 consecutive business days (December 5, 2025 through January 20, 2026), our common stock did not maintain a minimum closing bid price of $1.00 per share as required by Nasdaq Listing Rule 5550(a)(2) ("Minimum Bid Price Requirement"). The notice had no immediate effect on the listing or trading of our common stock, which continues to trade on the Nasdaq Capital Market under the symbol "RENX." In accordance with Nasdaq Listing Rule 5810(c)(3)(A), we had a compliance period of 180 calendar days, or until July 27, 2026, to regain compliance with Nasdaq Listing Rule 5550(a)(2). On December 8, 2025, our stockholders approved and authorized us to amend our Amended and Restated Certificate of Incorporation, as amended, to effect a reverse stock split at a ratio of 1-for-5 to 1-for-20, and on March 26, 2026, we effected the 1-for-20 reverse stock split of our then-outstanding common stock. Nasdaq Listing Rule 5810(c)(3)(A)(iv) states that any listed company that fails to meet the Minimum Bid Price Requirement and has effected a reverse stock split over the prior one-year period, or has effected one or more reverse stock splits over the prior two-year period with a cumulative ratio of 250 shares or more to one, will not be eligible for an automatic 180-day grace compliance period and the Nasdaq Listing Qualifications Department is obligated to immediately issue a delisting determination if it should fail to meet any continued listing requirements. Therefore, if we were to fail to meet any continued listing requirements within the applicable time periods we would immediately be issued a delisting determination. Further, the Nasdaq rule provides that a company will not be considered to have regained compliance with the minimum bid price requirement if the company takes an action to achieve compliance (such as a reverse split) and that action results in its security falling below the numeric threshold for another listing requirement.

On April 10, 2026, we received written notice ("Listing Notification") from the Listing Qualifications staff of Nasdaq notifying us that we had regained compliance with the Minimum Bid Price Requirement and, accordingly, we had regained compliance with Nasdaq Listing Rule 5550(a)(2) and that the matter was now closed. However, as of November 10, 2026, the closing price of our common stock was $1.03, which is below the Minimum Bid Price Requirement. If our common stock were to fail to satisfy the Minimum Bid Price Requirement for a period of thirty consecutive business days before the one-year anniversary of our last reverse stock split, we would not be eligible for a compliance period, and Nasdaq would be required to immediately issue a delisting determination. If our stock price does not increase, we may be required to effect another reverse stock split in the near term in order to satisfy the continued listing requirements of Nasdaq, which we have the right to do, at a ratio of between 1-for-5 and 1-for-10, pursuant to the approvals that we received from our stockholders on June 12, 2026. Conversions of the April 2026 Notes at Alternate Conversion Prices that are below prevailing market prices, the resale of the underlying shares of common stock and continued net losses that reduce our stockholders' equity could each make it more difficult for us to maintain compliance with Nasdaq's continued listing requirements.

Additionally, Nasdaq recently proposed a new rule change (as amended on June 18, 2026) to (i) adopt Listing Rules 5450(a)(3) and 5550(a)(6) to require issuers listed on the Nasdaq Global and Capital Markets, respectively, to maintain a minimum Market Value of Listed Securities (as defined in Nasdaq Listing Rule 5005(a)(23)) of at least $5.0 million for a period of 30 consecutive business days, and (ii) amend Rule 5810 to suspend trading and immediately delist from Nasdaq securities of issuers that do not satisfy the proposed new requirements, and Rule 5815 to set forth the procedures for requesting a hearing before a Hearings Panel and the scope of the Panel's discretion (collectively, the "Proposed $5 Million MVLS Rule"). On April 28, 2026, the SEC notified Nasdaq that it had determined to delay the implementation of the new standards to seek additional public feedback on the Proposed $5 Million MVLS Rule, providing the public at least 21 days to comment on the proposed rule. On July 22, 2026, the SEC approved the Proposed $5 Million MVLS Rule, permitting Nasdaq to implement the rule. However, subsequently on July 29, 2026, the implementation of the Proposed $5 Million MVLS Rule was automatically stayed after notices of petition were filed. As of November 10, 2026, the market value of our listed securities was approximately $3.3 million, which is below the $5.0 million minimum that would be required under the Proposed $5 Million MVLS Rule. If the stay on the implementation of the Proposed $5 Million MVLS Rule is lifted and the market value of our listed securities does not meet the $5.0 million requirement as of the date it goes into effect, our securities will be subject to delisting.

There is no assurance that we will maintain compliance with all applicable requirements for continued listing on Nasdaq. If our common stock were delisted from Nasdaq, trading of our common stock would most likely take place on an over-the-counter market established for unlisted securities, such as the OTCQB or the Pink Market maintained by OTC Markets Group Inc. An investor would likely find it less convenient to sell, or to obtain accurate quotations in seeking to buy, our common stock on an over-the-counter market, and many investors would likely not buy or sell our common stock due to difficulty in accessing over-the-counter markets, policies preventing them from trading in securities not listed on a national exchange or other reasons. In addition, as a delisted security, our common stock would be subject to SEC rules as a "penny stock," which impose additional disclosure requirements on broker-dealers. The regulations relating to penny stocks, coupled with the typically higher cost per trade to the investor of penny stocks due to factors such as broker commissions generally representing a higher percentage of the price of a penny stock than of a higher-priced stock, would further limit the ability of investors to trade in our common stock. In addition, delisting could harm our ability to raise capital through alternative financing sources on terms acceptable to us, or at all, and may result in the potential loss of confidence by investors, suppliers, customers and employees and fewer business development opportunities. For these reasons and others, delisting would adversely affect the liquidity, trading volume and price of our common stock, causing the value of an investment in us to decrease and having an adverse effect on our business, financial condition and results of operations, including our ability to attract and retain qualified employees and to raise capital.

The conversion of our senior convertible notes and the exercise of our outstanding warrants, preferred stock, and other convertible securities could result in substantial dilution to our stockholders.

As of the date hereof, we had outstanding First February 2026 Warrants (exercisable for shares of our common stock at an initial exercise price of $3.1188 per share), Second February 2026 Warrants (which became exercisable upon receipt of stockholder approval on June 12, 2026, at an initial exercise price of $3.1188 per share), Initial April 2026 Notes, the Second April 2026 Notes and the additional April 2026 Notes issued in the November Additional Closing (each convertible into shares of common stock at an initial conversion price of $2.895, which is subject to adjustment down to the April 2026 Note Floor Price), Initial April 2026 Warrants, the Second April 2026 warrants, and additional April 2026 Warrants issued in the November Additional Closing (each exercisable at an exercise price of $2.67 per share) shares of Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock (convertible into shares of our common stock at an initial conversion price of $2.895 per share, subject to full-ratchet adjustment for certain dilutive issuances with a floor price of $1.50 per share and a cash true-up in certain circumstances), Series D Preferred Stock (convertible, following receipt of stockholder approval, into shares of our common stock at an initial conversion price of $2.895 per share, subject to full-ratchet adjustment for certain dilutive issuances with a floor price of $1.50 per share and a cash true-up in certain circumstances) a warrant to purchase up to 619,084 shares of our common stock issued to Index Equity US, LLC in June 2026, which is exercisable at an initial exercise price of $2.895 per share, a warrant to purchase up to 124,438 shares of our common stock issued to James D. Burnham in September 2026, which is exercisable at an initial exercise price of $2.895 per share and various other warrants and rights to acquire shares of our common stock. The conversion of the foregoing convertible notes, the exercise of the foregoing outstanding warrants, the conversion of outstanding shares of our preferred stock, and the conversion and exercise of derivative securities, could result in the issuance of a substantial number of additional shares of our common stock and substantial dilution to our existing stockholders. Such issuances could also cause the market price of our common stock to decline. In addition, the April 2026 Purchase Agreement provides for the potential funding of up to an additional $84,000,000 and the issuance of additional notes and warrants in additional closings, subject to the purchasers' discretion and our ability to meet certain conditions, which issuances could also result in substantial dilution to our existing stockholders and also cause the market price of our common stock to decline.

A single holder affiliated with a member of our Board of Directors holds shares of Series C Preferred Stock representing substantial voting power, which allows it to exert significant influence over us.

In June 2026, pursuant to the Index Exchange Agreement, we issued 7,169 shares of Series C Preferred Stock and a warrant to purchase up to 619,084 shares of common stock to Index Equity US, LLC, an entity managed by Bjarne Borg, a member of our Board of Directors, in exchange for the extinguishment of approximately $7.2 million of related-party indebtedness. The Series C Preferred Stock votes together with our common stock as a single class on an as-converted basis, subject to the applicable beneficial ownership limitation, which is currently set at 4.99% of the number of shares of our common stock outstanding immediately after giving effect to the issuance of shares of common stock as if such shares of Series C Preferred stock had been converted but may be increased up to 19.99% at the election of the holder. As a result, Index Equity US, LLC has significant voting power. Additionally, the holders of a majority of the outstanding Series C Preferred Stock have consent rights over certain corporate actions, including the creation of securities ranking senior to or pari passu with the Series C Preferred Stock. As a result, Index Equity US, LLC is able to exert significant influence over matters submitted to a vote of our stockholders and over corporate actions requiring the consent of the Series C Preferred Stock, and its interests may differ from those of our other stockholders.

The rights, preferences and privileges of our Series C Preferred Stock and Series D Preferred Stock are senior to those of our common stock and could adversely affect holders of our common stock.

Our Series C Preferred Stock and Series D Preferred Stock rank senior to our common stock with respect to the payment of dividends and distributions upon liquidation, accrue dividends at a rate of 8% per annum (increasing to 9% per annum if not paid in cash), and are subject to full-ratchet anti-dilution adjustments in connection with certain dilutive issuances, subject to a floor price. The Series C Preferred Stock and Series D Preferred Stock carry a liquidation preference equal to 150% of its stated value, and the holders of a majority of the outstanding shares of Series C Preferred Stock and Series D Preferred Stock have consent rights over certain corporate actions, including the creation of securities ranking senior to or on parity with the Series C Preferred Stock and Series D Preferred Stock. In addition, if our common stock is delisted from Nasdaq for 30 or more consecutive trading days, the holder of the Series C Preferred Stock and Series D Preferred Stock may elect to exchange their respective shares for unsecured promissory notes bearing interest at 10% per annum. These rights could reduce the amounts available for distribution to holders of our common stock, limit our ability to raise capital or engage in certain transactions, and increase our indebtedness upon a delisting.

The April 2026 Notes are convertible into shares of our common stock at prices below the prevailing market price, which has resulted, and could continue to result, in substantial dilution and could depress the trading price of our common stock.

The holders of the April 2026 Notes have the right, at any time after the later of (i) the date of receipt of stockholder approval, which was obtained on June 12, 2026, and (ii) 120 calendar days following the Initial Closing Date (September 1, 2026) to convert their April 2026 Notes, in whole or in part, into shares of common stock in an Alternate Conversion at a conversion price equal to the greater of (x) the April 2026 Note Floor Price of $0.534 and (y) 92% of the lowest volume-weighted average price of our common stock during the ten trading days preceding the applicable conversion; provided, however, that, in the event that the holder of an April 2026 Note elects to convert all or a portion of their April 2026 Note in an Alternate Conversion, and the April 2026 Note Floor Price is greater than 92% of the lowest VWAP in the ten trading days prior to the applicable conversion date, then in addition to receiving a number of shares of common stock equal to the quotient obtained by dividing the dollar amount of the April 2026 Note being converted by the April 2026 Note Floor Price, we shall also pay to the holder cash as a true-up in an amount equal to the product of (i) any bid price of the Company's common stock, as reported by Bloomberg, selected by the holder from within the twenty minutes immediately preceding the delivery of the applicable conversion notice (or, if such conversion notice is delivered other than during regular trading hours on a trading day, the closing bid price on the most recent trading day ended prior to such delivery) and (ii) the difference obtained by subtracting (I) the number of shares of common stock delivered (or to be delivered) to the holder with respect to such Alternate Conversion from (II) the quotient obtained by dividing (x) the applicable amount of the note being converted in the Alternate Conversion by (y) the conversion price calculated using 92% of the lowest VWAP in the ten trading days prior to the applicable conversion date; provided, however, that any cash true-up payments that may be required under any April 20206 Note shall not exceed the three times the original principal amount of such April 2026 Note. Because Alternate Conversions are priced at a discount to prevailing market prices, they may result in the issuance of a substantial number of shares of common stock at prices below the then-current market price of our common stock, would dilute the interests of our existing stockholders, and could place sustained downward pressure on the trading price of our common stock, particularly if holders convert and sell shares of common stock on a recurring basis. From September 25, 2026 to October 1, 2026, holders of the Initial April 2026 Notes converted $1,100,000 aggregate principal amount of Initial April 2026 Notes, plus $44,000 of accrued interest, into an aggregate of 773,236 shares of common stock at an Alternate Conversion Price of $1.4795 per share. If all of the outstanding Initial April 2026 Notes, Second April 2026 Notes and April 2026 Notes issued in the November Additional Closing were converted at the April 2026 Note Floor Price, assuming that such notes accrue interest at 10% for a period of twelve months, we would be obligated to issue an aggregate of 10,711,613 shares, 11,664,772 and 6,179,776 shares of common stock, respectively, compared to 3,501,979 shares of common stock outstanding as of November 16, 2026. We have registered the resale of up to 30,587,579 shares of common stock issuable upon conversion of the Initial April 2026 Notes and the Second April 2026 Notes and exercise of the Initial April Warrants and Second April 2026 Warrants pursuant to registration statements declared effective on August 5, 2026 and October 14, 2026, and are required to file another registration statement with the SEC to register the up to 8,045,059 shares of common stock that may be issuable upon conversion of the April 2026 Notes and April 2026 Warrants that were issued in the November Additional Closing, and the resale of such shares, or the perception that such resales may occur, could depress the market price of our common stock.

We currently do not intend to pay dividends on our common stock; consequently, a stockholder's ability to achieve a return on an investment in our common stock will depend on appreciation in the price of our common stock.

We have never declared or paid any cash dividends on our common stock and do not anticipate paying any cash dividends on our common stock in the foreseeable future. The payment of dividends is restricted by the terms of the April 2026 Notes and the terms of our Series C Preferred Stock and Series D Preferred Stock, and may be restricted by the terms of future financings. As a result, a stockholder's ability to achieve a return on an investment in our common stock will depend on appreciation in the price of our common stock.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

We did not sell any equity securities during the quarter ended September 30, 2026, in transactions that were not registered under the Securities Act other than as previously disclosed in our filings with the SEC and as described below.

On July 29, 2026, we issued 25,000 restricted shares of our common stock to a consultant with a total value of $43,000 for services provided. The shares were issued in reliance on the exemption from registration provided for under Section 4(a)(2) of the Securities Act of 1933, as amended, and/or Rule 506 of Regulation D promulgated thereunder.

ITEM 3. Defaults Upon Senior Securities

None.

ITEM 4. Mine Safety Disclosures

Not applicable.

ITEM 5. Other Information

During the third quarter of 2026, none of our directors or executive officers adopted or terminated any "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement" (as each term is defined in Item 408(a) of Regulation S-K).

Additional Closing of April 2026 Private Placement and April 2026 Note Amendments

On November 16, 2026, the Company and the purchasers in the April 2026 Private Placement completed the November Additional Closing, at which the Company sold and issued the purchasers April 2026 Notes in the aggregate principal amount of $3,000,000 (the "November Additional Closing Notes") together with the April 2026 Warrants to purchase 1,865,283 shares of common stock (the "November Additional Closing Warrants"). Assuming that the November Additional Closing Notes accrued interest at 10% for

a period of 12 months, such notes would be convertible into an aggregate of 1,139,898 shares of common stock, based on the Initial April 2026 Conversion Price, and up to 6,179,776 shares of common stock, based on the April 2026 Note Floor Price. The net proceeds to the Company from the November Additional Closing were approximately $2.5 million, after deducting placement agent fees and the payment of other offering expenses associated with the offering that were payable by the Company.

On November 16, 2026, in connection with the November Additional Closing, and as an inducement to the purchasers' agreement to purchase additional securities in the November Additional Closing, the Company and each of the purchasers of April 2026 Notes and April 2026 Warrants entered into Amendments to Senior Convertible Note (collectively, the "April 2026 Note Amendments"), pursuant to which each of the April 2026 Notes issued and sold to the purchasers in the Initial Closing and the Second Closing were amended to provide that, in the event that the holder of an April 2026 Note elects to convert all or a portion of their April 2026 Note in an Alternate Conversion, and the April 2026 Note Floor Price is greater than 92% of the lowest VWAP in the ten trading days prior to the applicable conversion date, then in addition to receiving a number of shares of common stock equal to the quotient obtained by dividing the dollar amount of the April 2026 Note being converted by the April 2026 Note Floor Price, the Company shall also pay to the holder cash as a true-up in an amount equal to the product of (i) any bid price of the Company's common stock, as reported by Bloomberg, selected by the holder from within the twenty minutes immediately preceding the delivery of the applicable conversion notice (or, if such conversion notice is delivered other than during regular trading hours on a trading day, the closing bid price on the most recent trading day ended prior to such delivery) and (ii) the difference obtained by subtracting (I) the number of shares of common stock delivered (or to be delivered) to the holder with respect to such Alternate Conversion from (II) the quotient obtained by dividing (x) the applicable amount of the note being converted in the Alternate Conversion by (y) the conversion price calculated using 92% of the lowest VWAP in the ten trading days prior to the applicable conversion date; provided, however, that any cash true-up payments that may be required under any April 20206 Note shall not exceed the three times the original principal amount of such April 2026 Note. Any cash true-up payments to be made pursuant to the April 2026 Note Amendments shall be paid by the Company to the holder within two business days after the applicable conversion date. In addition to the foregoing, the April 2026 Note Amendment amended to the April 2026 Notes to provide that, subject to certain exempt issuances, in the event that the Company sells, offers or grants any option or right to purchase, or otherwise disposes of or sells any equity security or equity-linked or related security, any convertible securities any preferred stock or other securities while the April 2026 Notes remain outstanding, the holder shall have the right to require the Company to (i) initially, pay any then unpaid and outstanding cash true-up amounts in full and (ii) thereafter, to apply up to 50%, in the event any cash true-up payments are owed as of such date, or 80%, in the event that the holder participates as an investor in such financing, of the gross proceeds from such financings to redeem all, or any portion, of the outstanding April 2026 Notes and New Note (based on the investors' respective allocations) at a price equal to 110% of the amount of the April 2026 Note being redeemed, which are increases from the 30% of gross proceeds that the holder may require the Company to use to redeem the April 2026 Notes New Note and in other cases.

The November Additional Closing Notes and November Additional Closing Warrants were offered and sold in a private placement pursuant to Section 4(a)(2) of the Securities Act and/or Regulation D promulgated thereunder. The November Additional Closing Notes and November Additional Closing Warrants, and the shares of common stock issuable upon their conversion and exercise, have not been registered and, to the extent not yet issued, will not be registered, under the Securities Act or applicable state securities laws. Accordingly, these securities may not be reoffered or resold in the United States absent registration with the SEC or an applicable exemption from such registration requirements.

The Company relied, in part, on representations made by the purchasers in the April 2026 Purchase Agreement. Each purchaser has represented that it is an "accredited investor" as defined in Regulation D under the Securities Act and that it is acquiring the securities for investment only and not with a view towards, or for resale in connection with, the public sale or distribution thereof, and appropriate legends will be affixed to the securities. The sale of the securities did not involve a public offering and was made without general solicitation or general advertising.

The foregoing descriptions of the November Additional Closing Notes, November Additional Closing Warrants and the April 2026 Note Amendments do not purport to be complete and are qualified by reference to the full text of the forms of Senior Convertible Note, Warrant and Amendment to Senior Convertible Note, copies of which is attached to this Quarterly Report on Form 10-Q as Exhibits 4.6, 4.2 and 4.7, respectively, and incorporated herein by reference.

New Note Amendment

On November 16, 2026, in connection with the November Additional Closing, and as an inducement to the Investor's agreement to purchase additional securities in the November Additional Closing, the Company and the Investor entered into an Amendment to Senior Convertible Note (collectively, the "New Note Amendment"), pursuant to which the New Note was amended to provide that, in the event that the Investor elects to convert all or a portion of the New Note in an Alternate Conversion, and the New Note Floor Price is greater than 92% of the lowest VWAP in the ten trading days prior to the applicable conversion date, then in addition to receiving a number of shares of common stock equal to the quotient obtained by dividing the dollar amount of the New Note being converted by the New Note Floor Price, the Company shall also pay to the Investor cash as a true-up in an amount equal to the product of (i) any bid price of the Company's common stock, as reported by Bloomberg, selected by the holder from within the twenty minutes immediately preceding the delivery of the applicable conversion notice (or, if such conversion notice is delivered other than during regular trading hours on a trading day, the closing bid price on the most recent trading day ended prior to such delivery) and (ii) the difference obtained by subtracting (I) the number of shares of common stock delivered (or to be delivered) to the holder with respect to such Alternate Conversion from (II) the quotient obtained by dividing (x) the applicable amount of the note being converted in the Alternate Conversion by (y) the conversion price calculated using 92% of the lowest VWAP in the ten trading days prior to the applicable conversion date; provided, however, that any cash true-up payments that may be required under the New Note shall not exceed the three times the original principal amount of the New Note. Any cash true-up t payments to be made pursuant to the New Note Amendment shall be paid by the Company to the holder within two business days after the applicable conversion date. In addition to the foregoing, the New Note Amendment amended to the New Note to provide that, subject to certain exempt issuances, in the event that the Company sells, offers or grants any option or right to purchase, or otherwise disposes of or sells any equity security or equity-linked or related security, any convertible securities any preferred stock or other securities, while the New Note remains outstanding, the holder shall have the right to require the Company to (i) initially, pay any then unpaid and outstanding cash true-up amounts in full and (ii) thereafter, to apply up to 50%, in the event any cash true-up payments are owed as of such date, or 80%, in the event that the holder participates as an investor in such financing, of the gross proceeds from such financings to redeem all, or any portion, of the outstanding New Note and the April 2026 Notes (based on the investors' respective allocations) at a price equal to 110% of the amount of the New Note being redeemed, which are increases from the 30% of gross proceeds that the holder may require the Company to use to redeem the New Note and April 2026 Notes in other cases.

The foregoing description of the New Note Amendment does not purport to be complete and is qualified by reference to the full text of the form of Amendment to Senior Convertible Note, a copy of which is attached to this Quarterly Report on Form 10-Q as Exhibit 4.7 and incorporated herein by reference.

Loeb Refinancing

On November 6, 2026, the Company's subsidiaries ZEI and Resource issued a Second Amended and Restated Term Promissory Note (the "2nd A&R Loeb Note") to Loeb Term Solutions LLC ("Loeb") in the principal amount of $1,997,780, which amended and restated the Company's existing note payable to Loeb, dated September 7, 2023, in the original principal amount of $3,196,215. The 2nd A&R Loeb Note bears interest at the Wall Street Journal prime rate plus 6.5% per annum (the "Loeb Interest Rate"), computed on a 365-day year, and is payable in 35 monthly installments of principal and interest, calculated on a five-year amortization schedule, with a final balloon installment of all outstanding principal, accrued interest and other amounts due on the first day of the thirty-sixth month following the effective date (November 1, 2029). Notwithstanding the foregoing, from and after the occurrence of a default under the 2nd A&R Loeb Note, and for so long as such default continues, the applicable interest rate shall be increased to the Loeb Interest Rate plus 6% per annum. The 2nd A&R Loeb Note was issued to Loeb pursuant to a Second Amended and Restated Credit Agreement entered into by and among the parties, which amends and restates in all respects that Credit and Security Agreement entered into by and among the parties on September 7, 2023, remains secured by equipment of the borrowers, and did not constitute a novation of the existing indebtedness.

The foregoing description of the 2nd A&R Loeb Note does not purport to be complete and is qualified by reference to the full text of the Second Amended and Restated Term Promissory Note, a copy of which is attached to this Quarterly Report on Form 10-Q as Exhibit 10.6 and incorporated herein by reference.

ITEM 6. Exhibits

EXHIBIT INDEX

Exhibit Number	Description
3.1	Certificate of Designation of Series D Convertible Preferred Stock (incorporated by reference to Exhibit 3.1 to Form 8-K filed by the Registrant with the Securities and Exchange Commission on May 5, 2026).
4.1	Form of Senior Convertible Note (incorporated by reference to Exhibit 4.1 to Form 8-K filed by the Registrant with the Securities and Exchange Commission on May 5, 2026).
4.2	Form of Warrant (incorporated by reference to Exhibit 4.2 to Form 8-K filed by the Registrant with the Securities and Exchange Commission on May 5, 2026).
4.3	Warrant, dated September 30, 2026 (incorporated by reference to Exhibit 4.1 to Form 8-K filed by the Registrant with the Securities and Exchange Commission on October 5, 2026).
4.4	Senior Convertible Note, dated November 2, 2026 (incorporated by reference to Exhibit 4.1 to Form 8-K filed by the Registrant with the Securities and Exchange Commission on November 6, 2026).
4.5	Warrant, dated November 2, 2026 (incorporated by reference to Exhibit 4.2 to Form 8-K filed by the Registrant with the Securities and Exchange Commission on November 6, 2026).
4.6	Form of Senior Convertible Note dated November 16, 2026
4.7	Form of Amendment to Senior Convertible Note dated November 16, 2026
10.1	Employment Agreement, effective as of July 1, 2026, by and between the Company and James D. Burnham (incorporated by reference to Exhibit 10.1 to Form 8-K filed by the Registrant with the Securities and Exchange Commission on July 7, 2026 (File No. 001-41581).
10.2	Purchase and Sale Agreement, dated August 17, 2026, by and between Norman Berry II Owner, LLC and Arbour Valley Development, LLC (incorporated by reference to Exhibit 10.1 to Form 8-K filed by the Registrant with the Securities and Exchange Commission on August 21, 2026 (File No. 001-41581).
10.3	Form of Amendment to Securities Purchase Agreement and Registration Rights Agreement, dated August 26, 2026 (incorporated by reference to Exhibit 10.1 to Form 8-K filed by the Registrant with the Securities and Exchange Commission on August 28, 2026 (File No. 001-41581).
10.4	Exchange Agreement, dated September 30, 2026, by and between the Company and James D. Burnham (incorporated by reference to Exhibit 10.1 to Form 8-K filed by the Registrant with the Securities and Exchange Commission on October 5, 2026).
10.5	Note Exchange Agreement, dated November 2, 2026, by and between the Company and Alto Opportunity Master Fund, SPC – Segregated Master Portfolio B (incorporated by reference to Exhibit 10.1 to Form 8-K filed by the Registrant with the Securities and Exchange Commission on November 6, 2026).
10.6	Second Amended and Restated Term Promissory Note dated November 6, 2026.

31.1+	Certification by Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2+	Certification by Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1+	Certification by Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2+	Certification by Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS+	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File as the XBRL tags are embedded within the Inline XBRL document.
101.SCH+	Inline XBRL Taxonomy Extension Schema Document.
101.CAL+	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF+	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB+	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE+	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

+ Filed or furnished herewith.

^ Management contract or compensatory plan or arrangement

* Exhibits and schedules have been omitted pursuant to Items 601(a)(5) of Regulation S-K. The Company hereby undertakes to furnish copies of any of the omitted exhibits and schedules upon request by the Securities and Exchange Commission.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: November 16, 2026

RENX ENTERPRISES CORP.
(Registrant)

By: /s/ David Villarreal
David Villarreal
Chief Executive Officer
(Principal Executive Officer)

By: /s/ Nicolai Brune
Nicolai Brune
Chief Financial Officer
(Principal Financial Officer and
Principal Accounting Officer)

Exhibit 4.6

SENIOR CONVERTIBLE NOTE

NEITHER THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE CONVERTIBLE HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL TO THE HOLDER (IF REQUESTED BY THE COMPANY), IN A FORM REASONABLY ACCEPTABLE TO THE COMPANY, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD OR ELIGIBLE TO BE SOLD PURSUANT TO RULE 144 UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES.

ANY TRANSFEREE OF THIS NOTE SHOULD CAREFULLY REVIEW THE TERMS OF THIS NOTE, INCLUDING SECTIONS 3(c)(iii) AND 20(a) HEREOF. THE PRINCIPAL AMOUNT REPRESENTED BY THIS NOTE AND, ACCORDINGLY, THE SECURITIES ISSUABLE UPON CONVERSION HEREOF MAY BE LESS THAN THE AMOUNTS SET FORTH ON THE FACE HEREOF PURSUANT TO SECTION 3(c)(iii) OF THIS NOTE.

RENX ENTERPRISES CORP.

SENIOR CONVERTIBLE NOTE

Issuance Date: _____ Original Principal Amount: US $_____

FOR VALUE RECEIVED, RenX Enterprises Corp., a Delaware corporation (the "**Company**"), hereby promises to pay to the order of _____ or its registered assigns ("**Holder**") the Outstanding Principal Value of the amount set forth above as the Original Principal Amount (as may be reduced pursuant to the terms hereof pursuant to redemption, conversion or otherwise, the "**Principal**") when due, upon the Maturity Date (as defined below), or upon redemption or otherwise (in each case in accordance with the terms hereof) and to pay interest ("**Interest**") on the Outstanding Principal Value of this Note at the applicable Interest Rate from the date set forth above as the Issuance Date (the "**Issuance Date**") until the same becomes due and payable, whether upon the Maturity Date or upon conversion, redemption or otherwise (in each case in accordance with the terms hereof). This Senior Convertible Note (including all Senior Convertible Notes issued in exchange, transfer or replacement hereof, this "**Note**") is one of the Senior Convertible Notes issued pursuant to the Securities Purchase Agreement (the "**Securities Purchase Agreement**"), dated as of April 30, 2026, by and among the Company and the investors (the "**Buyers**") referred to therein, as amended from time to time (collectively, the "**Notes**", and such other Senior Convertible Notes, the "**Other Notes**"). Certain capitalized terms used herein are defined in Section 32.

1. PAYMENTS. On the Maturity Date, the Company shall pay to the Holder an amount in cash representing 110% of the Outstanding Value of this Note as of the Maturity Date. Other than as specifically permitted by this Note, the Company may not prepay any portion of the Outstanding Principal Value, accrued and unpaid Interest or accrued and unpaid Late Charges on Outstanding Principal Value and Interest. Notwithstanding anything herein to the contrary, with respect to any conversion or redemption hereunder, as applicable, the Company shall convert or redeem, as applicable, First, all accrued and unpaid Late Charges on any Outstanding Principal Value and Interest hereunder and under any Other Notes held by the Holder and all other amounts owed to the Holder under any other Transaction Document, Second, all accrued and unpaid Interest hereunder and under any Other Notes held by such Holder, Third, all other amounts (other than Outstanding Principal Value) outstanding under any Other Notes held by such Holder and, Fourth, all Outstanding Principal Value hereunder and under any Other Notes held by such Holder, in each case, allocated pro rata among this Note and such Other Notes held by such Holder.

2. INTEREST; INTEREST RATE.

(a) Interest on this Note shall commence accruing on the Issuance Date and shall be computed on the Outstanding Principal Value of this Note and on basis of a 360-day year and twelve 30-day months and shall be payable in arrears on each Interest Date and shall compound each calendar month and shall be payable in accordance with the terms of this Note. Interest shall be paid on such Interest Date in cash.

(b) Prior to the payment of Interest on an Interest Date, Interest on this Note shall accrue at the Interest Rate and be payable by way of inclusion of the Interest in the Conversion Amount on each Conversion Date in accordance with Section 3(b)(i) or upon any redemption in accordance with Section 12 or any required payment upon any Bankruptcy Event of Default. From and after the occurrence and during the continuance of any Event of Default (regardless of whether the Company has delivered an Event of Default Notice to the Holder or if the Holder has delivered an Event of Default Redemption Notice to the Company or otherwise notified the Company that an Event of Default has occurred), the Interest Rate shall automatically be increased to eighteen percent (18.0%) per annum (the "**Default Rate**"). In the event that such Event of Default is subsequently cured (and no other Event of Default then exists, including, without limitation, for the Company's failure to pay such Interest at the Default Rate on the applicable Interest Date), the adjustment referred to in the preceding sentence shall cease to be effective as of the calendar day immediately following the date of such cure; provided that the Interest as calculated and unpaid at such increased rate during the continuance of such Event of Default shall continue to apply to the extent relating to the days after the occurrence of such Event of Default through and including the date of such cure of such Event of Default.

3. CONVERSION OF NOTES. At any time after the Issuance Date, this Note shall be convertible into validly issued, fully paid and non-assessable shares of Common Stock (as defined below), on the terms and conditions set forth in this Section 3.

(a) Conversion Right. Subject to the provisions of Section 3(d), at any time or times on or after the Issuance Date, the Holder shall be entitled to convert any portion of the outstanding and unpaid Conversion Amount (as defined below) into validly issued, fully paid and non-assessable shares of Common Stock in accordance with Section 3(c), at the Conversion Rate (as defined below). The Company shall not issue any fraction of a share of Common Stock upon any conversion. If the issuance would result in the issuance of a fraction of a share of Common Stock, the Company shall round such fraction of a share of Common Stock up to the nearest whole share. The Company shall pay any and all transfer, stamp, issuance and similar taxes, costs and expenses (including, without limitation, fees and expenses of the Transfer Agent (as defined below)) that may be payable with respect to the issuance and delivery of shares of Common Stock upon conversion of any Conversion Amount.

(b) Conversion Rate. The number of shares of Common Stock issuable upon conversion of any Conversion Amount pursuant to Section 3(a) shall be determined by dividing (x) such Conversion Amount by (y) the Conversion Price (the "**Conversion Rate**").

(i) "**Conversion Amount**" means the sum of (A) the portion of the Outstanding Principal Value of this Note to be converted, redeemed or otherwise with respect to which this determination is being made, (B) accrued and unpaid Interest with respect to such Outstanding Principal Value of this Note, (C) accrued and unpaid Late Charges with respect to such Outstanding Principal Value of this Note and Interest, and (D) any other unpaid amounts pursuant to the Transaction Documents, if any.

(ii) "**Conversion Price**" means, as of any Conversion Date or other date of determination, $2.895, subject to adjustment as provided herein.

(c) Mechanics of Conversion.

(i) Optional Conversion. To convert any Conversion Amount into shares of Common Stock on any date (a "**Conversion Date**"), the Holder shall deliver (whether via electronic mail or otherwise), for receipt on or prior to 11:59 p.m., New York time, on such date, a copy of an executed notice of conversion in the form attached hereto as Exhibit I (each, a "**Conversion Notice**") to the Company. If required by Section 3(c)(iii), within two (2) Trading Days following a conversion of this Note as aforesaid, the Holder shall surrender this Note to a nationally recognized overnight delivery service for delivery to the Company (or an indemnification undertaking with respect to this Note in the case of its loss, theft or destruction as contemplated by Section 20(b)). On or before the first (1st) Trading Day following the date of receipt of a Conversion Notice, the Company shall transmit by electronic mail an acknowledgment, in the form attached hereto as Exhibit II, of confirmation of receipt of such Conversion Notice and representation as to whether such shares of Common Stock may then be resold pursuant to Rule 144 or an effective and available registration statement (each, an "**Acknowledgment**") to the Holder and the Company's transfer agent (the "**Transfer Agent**") which confirmation shall constitute an instruction to the Transfer Agent to process such Conversion Notice in accordance with the terms herein. On or before the first (1st) Trading Day following the date on which the Company has received a Conversion Notice (or such earlier date as required pursuant to the Exchange Act or other applicable law, rule or regulation for the settlement of a trade initiated on the applicable Conversion Date of such shares of Common Stock issuable pursuant to such Conversion Notice) (the "**Share Delivery Deadline**"), the Company shall cause its Transfer Agent (1) provided that the Transfer Agent is participating in The Depository Trust Company's ("**DTC**") Fast Automated Securities Transfer Program ("**FAST**"), credit such aggregate number of shares of Common Stock to which the Holder shall be entitled pursuant to such conversion to the Holder's or its designee's balance account with DTC through its Deposit/Withdrawal at Custodian system or (2) if the Transfer Agent is not participating in FAST, upon the request of the Holder, issue and deliver (via reputable overnight courier) to the address as specified in the Conversion Notice, a certificate or evidence of book entry, registered in the name of the Holder or its designee, for the number of shares of Common Stock to which the Holder shall be entitled pursuant to such conversion. If this Note is physically surrendered for conversion pursuant to Section 3(c)(iii) and the Outstanding Principal Value of this Note is greater than the Outstanding Principal Value portion of the Conversion Amount being converted, then the Company shall as soon as practicable and in no event later than two (2) Business Days after receipt of this Note and at its own expense, issue and deliver to the Holder (or its designee) a new Note (in accordance with Section 20(d)) representing the Outstanding Principal Value of this Note not converted. The Person or Persons entitled to receive the shares of Common Stock issuable upon a conversion of this Note shall be treated for all purposes as the record holder or holders of such shares of Common Stock on the Conversion Date. Notwithstanding anything to the contrary contained in this Note or the Registration Rights Agreement, after the effective date of the Registration Statement and prior to the Holder's receipt of the notice of an Allowable Grace Period (as defined in the Registration Rights Agreement), the Company shall cause the Transfer Agent to deliver unlegended shares of Common Stock to the Holder (or its designee) in connection with any sale of Registrable Securities (as defined in the Registration Rights Agreement) with respect to which the Holder has entered into a contract for sale, and delivered a copy of the prospectus included as part of the particular Registration Statement to the extent applicable, and for which the Holder has not yet settled.

(ii) Company's Failure to Timely Convert. If the Company shall fail, for any reason or for no reason, on or prior to the applicable Share Delivery Deadline, either (I) if the Transfer Agent is not participating in FAST, to issue and deliver to the Holder (or its designee) a certificate for the number of shares of Common Stock to which the Holder is entitled and register such shares of Common Stock on the Company's share register or, if the Transfer Agent is participating in FAST, to credit the balance account of the Holder or the Holder's designee with DTC for such number of shares of Common Stock to which the Holder is entitled upon the Holder's conversion of this Note (as the case may be) or (II) if the Registration Statement covering the resale of the shares of Common Stock that are the subject of the Conversion Notice (the "**Unavailable Conversion Shares**") is not available for the resale of such Unavailable Conversion Shares and the Company fails to promptly, but in no event later than as required pursuant to the Registration Rights Agreement (x) so notify the Holder and (y) deliver the shares of Common Stock electronically without any restrictive legend by crediting such aggregate number of shares of Common Stock to which the Holder is entitled pursuant to such conversion to the Holder's or its designee's balance account with DTC through its Deposit/Withdrawal At Custodian system (the event described in the immediately foregoing clause (II) is hereinafter referred as a "**Notice Failure**" and together with the event described in clause (I) above, a "**Conversion Failure**"), then, in addition to all other remedies available to the Holder, (1) the Company shall pay in cash to the Holder on each day after such Share Delivery Deadline that the issuance of such shares of Common Stock is not timely effected an amount equal to 2.0% of the product of (A) the sum of the number of shares of Common Stock not issued to the Holder on or prior to the Share Delivery Deadline and to which the Holder is entitled, multiplied by (B) any trading price of the shares of Common Stock selected by the Holder in writing as in effect at any time during the period beginning on the applicable Conversion Date and ending on the applicable Share Delivery Deadline and (2) the Holder, upon written notice to the Company, may void its Conversion Notice with respect to, and retain or have returned (as the case may be) any portion of this Note that has not been converted pursuant to such Conversion Notice, provided that the voiding of a Conversion Notice shall not affect the Company's obligations to make any payments which have accrued prior to the date of such notice pursuant to this Section 3(c)(ii) or otherwise. In addition to the foregoing, if on or prior to the Share Delivery Deadline either (A) if the Transfer Agent is not participating in FAST, the Company shall fail to issue and deliver to the Holder (or its designee) a certificate and register such shares of Common Stock on the Company's share register or, if the Transfer Agent is participating in FAST, the Transfer Agent shall fail to credit the balance account of the Holder or the Holder's designee with DTC for the number of shares of Common Stock to which the Holder is entitled upon the Holder's conversion hereunder or pursuant to the Company's obligation pursuant to clause (II) below or (B) a Notice Failure occurs, and if on or after such Share Delivery Deadline the Holder acquires (in an open market transaction, stock loan or otherwise) shares of Common Stock corresponding to all or any portion of the number of shares of Common Stock issuable upon such conversion that the Holder is entitled to receive from the Company and has not received from the Company in connection with such Conversion Failure or Notice Failure, as applicable (a "**Buy-In**"), then, in addition to all other remedies available to the Holder, the Company shall, within two (2) Business Days after receipt of the Holder's request and in the Holder's discretion, either: (I) pay cash to the Holder in an amount equal to the Holder's total purchase price (including brokerage commissions, stock loan costs and other out-of-pocket expenses, if any) for the shares of Common Stock so acquired (including, without limitation, by any other Person in respect, or on behalf, of the Holder) (the "**Buy-In Price**"), at which point the Company's obligation to so issue and deliver such certificate (and to issue such shares of Common Stock) or credit the balance account of such Holder or such Holder's designee, as applicable, with DTC for the number of shares of Common Stock to which the Holder is entitled upon the Holder's conversion hereunder (as the case may be) (and to issue such shares of Common Stock) shall terminate, or (II) promptly honor its obligation to so issue and deliver to the Holder a certificate or certificates representing such shares of Common Stock or credit the balance account of such Holder or such Holder's designee, as applicable, with DTC for the number of shares of Common Stock to which the Holder is entitled upon the Holder's conversion hereunder (as the case may be) and pay cash to the Holder in an amount equal to the excess (if any) of the Buy-In Price over the product of (x) such number of shares of Common Stock multiplied by (y) the lowest Closing Sale Price of the shares of Common Stock on any Trading Day during the period commencing on the date of the applicable Conversion Notice and ending on the date of such issuance and payment under this clause (II) (the "**Buy-In Payment Amount**"). Nothing shall limit the Holder's right to pursue any other remedies available to it hereunder, at law or in equity, including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver certificates representing shares of Common Stock (or to electronically deliver such shares of Common Stock) upon the conversion of this Note as required pursuant to the terms hereof.

(iii) Registration; Book-Entry. The Company shall maintain a register (the "**Register**") for the recordation of the names and addresses of the holders of each Note and the principal amount of the Notes held by such holders (the "**Registered Notes**"). The entries in the Register shall be conclusive and binding for all purposes absent manifest error. The Company and the holders of the Notes shall treat each Person whose name is recorded in the Register as the owner of a Note for all purposes (including, without limitation, the right to receive payments of Outstanding Principal Value and Interest hereunder) notwithstanding notice to the contrary. A Registered Note may be assigned, transferred or sold in whole or in part only by registration of such assignment or sale on the Register. Upon its receipt of a written request to assign, transfer or sell all or part of any Registered Note by the holder thereof, the Company shall record the information contained therein in the Register and issue one or more new Registered Notes in the same aggregate principal amount as the principal amount of the surrendered Registered Note to the designated assignee or transferee pursuant to Section 20, provided that if the Company does not so record an assignment, transfer or sale (as the case may be) of all or part of any Registered Note within two (2) Business Days of such a request, then the Register shall be automatically deemed updated to reflect such assignment, transfer or sale (as the case may be). Notwithstanding anything to the contrary set forth in this Section 3, following conversion of any portion of this Note in accordance with the terms hereof, the Holder shall not be required to physically surrender this Note to the Company unless the Holder has provided the Company with prior written notice (which notice may be included in a Conversion Notice) requesting reissuance of this Note upon physical surrender of this Note. The Holder and the Company shall maintain records showing the Outstanding Principal Value, Interest and Late Charges converted and/or paid (as the case may be) and the dates of such conversions, and/or payments (as the case may be) or shall use such other method, reasonably satisfactory to the Holder and the Company, so as not to require physical surrender of this Note upon conversion. If the Company does not update the Register to record such Outstanding Principal Value, Interest and Late Charges converted and/or paid (as the case may be) and the dates of such conversions, and/or payments (as the case may be) within two (2) Business Days of such occurrence, then the Register shall be automatically deemed updated to reflect such occurrence.

(iv) Pro Rata Conversion; Disputes. In the event that the Company receives a Conversion Notice from more than one holder of Notes for the same Conversion Date and the Company can convert some, but not all, of such portions of the Notes submitted for conversion, the Company, subject to Section 3(d), shall convert from each holder of Notes electing to have Notes converted on such date a pro rata amount of such holder's portion of its Notes submitted for conversion based on the principal amount of Notes submitted for conversion on such date by such holder relative to the aggregate principal amount of all Notes submitted for conversion on such date. In the event of a dispute as to the number of shares of Common Stock issuable to the Holder in connection with a conversion of this Note, the Company shall issue to the Holder the number of shares of Common Stock not in dispute and resolve such dispute in accordance with Section 24. If a Conversion Notice delivered to the Company would result in the issuance of a number of shares of Common Stock in excess of the Maximum Percentage, and the Holder does not elect in writing to withdraw such Conversion Notice, the Company shall hold such Conversion Notice in abeyance until such time as such Conversion Notice may be satisfied without causing the issuance of a number of shares of Common Stock in excess of the Maximum Percentage (with such calculations thereunder made as of the date such Conversion Notice was initially delivered to the Company).

(d) Limitations on Conversions. The Company shall not effect the conversion of any portion of this Note, and the Holder shall not have the right to convert any portion of this Note pursuant to the terms and conditions of this Note and any such conversion shall be null and void and treated as if never made, to the extent that after giving effect to such conversion, the Holder together with the other Attribution Parties collectively would beneficially own in excess of 4.99% (the "**Maximum Percentage**") of the shares of Common Stock outstanding immediately after giving effect to such conversion. For purposes of the foregoing sentence, the aggregate number of shares of Common Stock beneficially owned by the Holder and the other Attribution Parties shall include the number of shares of Common Stock held by the Holder and all other Attribution Parties plus the number of shares of Common Stock issuable upon conversion of this Note with respect to which the determination of such sentence is being made, but shall exclude shares of Common Stock which would be issuable upon (A) conversion of the remaining, nonconverted portion of this Note beneficially owned by the Holder or any of the other Attribution Parties and (B) exercise or conversion of the unexercised or nonconverted portion of any other securities of the Company (including, without limitation, any convertible notes or convertible preferred stock or warrants, including, without limitation, the Warrants) beneficially owned by the Holder or any other Attribution Party subject to a limitation on conversion or exercise analogous to the limitation contained in this Section 3(d). For purposes of this Section 3(d), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act. For purposes of determining the number of outstanding shares of Common Stock the Holder may acquire upon the conversion of this Note without exceeding the Maximum Percentage, the Holder may rely on the number of outstanding shares of Common Stock as reflected in (x) the Company's most recent Annual Report on Form 10-K, Quarterly Report on Form 10-Q, Current Report on Form 8-K or other public filing with the Commission, as the case may be, (y) a more recent public announcement by the Company or (z) any other written notice by the Company or the Transfer Agent, if any, setting forth the number of shares of Common Stock outstanding (the "**Reported Outstanding Share Number**"). If the Company receives a Conversion Notice from the Holder at a time when the actual number of outstanding shares of Common Stock is less than the Reported Outstanding Share Number, the Company shall notify the Holder in writing of the number of shares of Common Stock then outstanding and, to the extent that such Conversion Notice would otherwise cause the Holder's beneficial ownership, as determined pursuant to this Section 3(d), to exceed the Maximum Percentage, the Holder must notify the Company of a reduced number of shares of Common Stock to be purchased pursuant to such Conversion Notice. For any reason at any time, upon the written or oral request of the Holder, the Company shall within one (1) Business Day confirm orally and in writing or by electronic mail to the Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Note, by the Holder and any other Attribution Party since the date as of which the Reported Outstanding Share Number was reported. In the event that the issuance of shares of Common Stock to the Holder upon conversion of this Note results in the Holder and the other Attribution Parties being deemed to beneficially own, in the aggregate, more than the Maximum Percentage of the number of outstanding shares of Common Stock (as determined under Section 13(d) of the Exchange Act), the number of shares so issued by which the Holder's and the other Attribution Parties' aggregate beneficial ownership exceeds the Maximum Percentage (the "**Excess Shares**") shall be deemed null and void and shall be cancelled *ab initio*, and the Holder shall not have the power to vote or to transfer the Excess Shares. Upon delivery of a written notice to the Company, the Holder may from time to time increase (with such increase not effective until the sixty-first (61^{st}) day after delivery of such notice) or decrease the Maximum Percentage to any other percentage not in excess of 9.99% as specified in such notice; provided that (i) any such increase in the Maximum Percentage will not be effective until the sixty-first (61^{st}) day after such notice is delivered to the Company and (ii) any such increase or decrease will apply only to the Holder and the other Attribution Parties and not to any other holder of Notes that is not an Attribution Party of the Holder. For purposes of clarity, the shares of Common Stock issuable pursuant to the terms of this Note in excess of the Maximum Percentage shall not be deemed to be beneficially owned by the Holder for any purpose including for purposes of Section 13(d) or Rule 16a-1(a)(1) of the Exchange Act. No prior inability to convert this Note pursuant to this paragraph shall have any effect on the applicability of the provisions of this paragraph with respect to any subsequent determination of convertibility. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 3(d) to the extent necessary to correct this paragraph (or any portion of this paragraph) which may be defective or inconsistent with the intended beneficial ownership limitation contained in this Section 3(d) or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitation contained in this paragraph may not be waived and shall apply to a successor holder of this Note. Notwithstanding any contrary provisions of this Section 3(d), nothing herein shall be deemed to prevent the Holder from submitting one or more Conversion Notices which are conditioned on the Holder selling a sufficient number of shares of Common Stock that are, or are deemed to be, beneficially owned by Holder and/or its Affiliates such that the Company may effect such Conversion Notice without violating the provisions of this Section 3(d) (a "**Conditional Conversion Notice**"). The Company shall be required to deliver an Acknowledgment with respect to a Conditional Conversion Notice in accordance with Section 3(c)(i) to the same extent as any Conversion Notice that is not a Conditional Conversion Notice. Any Conditional Conversion Notice may be revoked by the Holder until such time that it has notified the Company in writing that the Conditional Conversion Notice can be effected without violating this Section 3(d) (a "**Condition Removal Notice**"). Once a Condition Removal Notice has been delivered to the Company, such Conditional Conversion Notice shall be an ordinary Conversion Notice for all purposes hereunder subject to all of the provisions of Section 3(c) and the other applicable provisions of this Note.

(e) Right of Alternate Conversion.

(i) Subject to Sections 3(d), at any time after the later of (i) the date of the receipt of the Stockholder Approval and (ii) 120 calendar days following the Initial Closing Date, provided that, the Stockholder Approval has been received by such date, the Holder may, at the Holder's option, convert (each, an "**Alternate Conversion**", and the date of such Alternate Conversion, each, an "**Alternate Conversion Date**") all, or any part of, the Conversion Amount (such portion of the Conversion Amount subject to such Alternate Conversion, each, an "**Alternate Conversion Amount**") into Common Stock at a conversion price equal to the greater of (x) the Floor Price and (y) 92% of the lowest VWAP in the ten (10) Trading Days prior to the applicable Alternate Conversion Date (the "**Alternate Conversion Price**"). Notwithstanding anything to the contrary contained in this Section 3(e), if the Holder elects to convert the Alternate Conversion Amount into shares of Common Stock and the Floor Price is greater than the price determined in accordance with clause (y) above, then in addition to receiving a number of shares of Common Stock equal to the quotient obtained by dividing the Alternate Conversion Amount by the Floor Price, the Company shall also pay to the Holder cash as a true-up (the "**Cash True-Up Amount**") in an amount equal to the product of (i) any bid price of the Common Stock on the Principal Market (including during any pre-market or after-hours trading session), as reported by Bloomberg, selected by the Holder from within the twenty (20) minutes immediately preceding the delivery of the applicable Conversion Notice (or, if no such bid price is reported during such period, the Closing Bid Price on the most recent Trading Day ended prior to such delivery) (the "True-Up Reference Price") and (ii) the difference obtained by subtracting (I) the number of shares of Common Stock delivered (or to be delivered) to the Holder with respect to such Alternate Conversion from (II) the quotient obtained by dividing (x) the applicable Alternate Conversion Amount by (y) the conversion price calculated pursuant to clause (y) of the definition of Alternate Conversion Price. The Holder shall set forth the True-Up Reference Price, the time at which such bid price was reported, and its calculation of the Cash True-Up Amount in the applicable Conversion Notice. Any Cash True-Up Amount payments to be made pursuant to this Section 3(e) shall be paid by the Company to the Holder within two (2) Business Days after the Alternate Conversion Date; provided that the aggregate amount of Cash True-Up Amount payments paid or payable under this Note shall not exceed the product of (i) 3.0 and (ii) the Original Principal Amount.

(ii) Mechanics of Alternate Conversion. On any Alternate Conversion Date, the Holder may voluntarily convert any Alternate Conversion Amount pursuant to Section 3(c) (with "**Alternate Conversion Price**" replacing "**Conversion Price**" for all purposes hereunder with respect to such Alternate Conversion) by designating in the Conversion Notice delivered pursuant to this Section 3(e) of this Note that the Holder is electing to use the Alternate Conversion Price for such conversion. Notwithstanding anything to the contrary in this Section 3(e), but subject to Sections 3(d), until the Company delivers shares of Common Stock representing the applicable Alternate Conversion Amount to the Holder, such Alternate Conversion Amount may be converted by the Holder into Common Stock pursuant to Section 3(c) without regard to this Section 3(e).

4. RIGHTS UPON EVENT OF DEFAULT.

(a) Event of Default. Each of the following events shall constitute an "**Event of Default**" and each of the events in clauses (viii), (x) and (ix) shall constitute a "**Bankruptcy Event of Default**":

(i) the failure of the applicable Registration Statement to be filed with the Commission on or prior to the date that is five (5) days after the applicable Filing Date (as defined in the Registration Rights Agreement) or the failure of the applicable Registration Statement to be declared effective by the Commission on or prior to the date that is five (5) days after the applicable Effectiveness Date (as defined in the Registration Rights Agreement);

(ii) while the applicable Registration Statement is required to be maintained effective pursuant to the terms of the Registration Rights Agreement, the effectiveness of the applicable Registration Statement lapses for any reason (including, without limitation, the issuance of a stop order) or such Registration Statement (or the prospectus contained therein) is unavailable to any holder of Registrable Securities (as defined in the Registration Rights Agreement) for sale of all of such holder's Registrable Securities covered by such Registration Statement in accordance with the terms of the Registration Rights Agreement, and such lapse or unavailability continues for a period of five (5) consecutive days or for more than an aggregate of ten (10) days in any 365-day period);

(iii) the suspension from trading or the failure of the shares of Common Stock to be trading or listed (as applicable) on an Eligible Market for a period of five (5) consecutive Trading Days;

(iv) the Company's (A) failure to cure a Conversion Failure or a failure to deliver shares of Common Stock upon exercise of the Warrants by the Warrant Share Delivery Date (as defined in the Warrants) by delivery of the required number of shares of Common Stock within five (5) Trading Days after the applicable Conversion Date or date of exercise of the Warrants, respectively or (B) notice, written or oral, to any holder of the Notes or Warrants, including, without limitation, by way of public announcement or through any of its agents at any time, of its intention not to comply, as required, with a request for conversion of any Notes into shares of Common Stock that is requested in accordance with the provisions of the Notes, other than pursuant to Section 3(d), or a request for exercise of any Warrants for shares of Common Stock in accordance with the provisions of the Warrants;

(v) the Company's or any Subsidiary's failure to pay to the Holder any amount of Outstanding Value of this Note or other amounts when and as due under this Note (including, without limitation, the Company's or any Subsidiary's failure to pay any Interest, Late Charges, redemption payments or amounts hereunder except that there shall be a three (3) day grace period for failure to pay any Interest) or any other Transaction Document (as defined in the Securities Purchase Agreement) or any other agreement, document, certificate or other instrument delivered in connection with the transactions contemplated hereby and thereby, if such failure remains uncured for a period of at least two (2) Trading Days;

(vi) the Company fails to remove any restrictive legend on any certificate or any shares of Common Stock issued to the Holder upon conversion of the Notes and exercise of the Warrants as and when required by such securities or the Securities Purchase Agreement, unless otherwise then prohibited by applicable federal securities laws, and any such failure remains uncured for at least five (5) days;

(vii) the occurrence of any event of default under, redemption of or acceleration prior to maturity of at least an aggregate of $500,000 of Indebtedness of the Company or any of its Subsidiaries, other than with respect to any Other Notes;

(viii) bankruptcy, insolvency, administration, judicial management, reorganization or liquidation proceedings or other proceedings for the relief of debtors shall be instituted by or against the Company or any Subsidiary and, if instituted against the Company or any Subsidiary by a third party, shall not be dismissed within thirty (30) days of their initiation;

(ix) the commencement by the Company or any Subsidiary of a voluntary case or proceeding under any applicable federal, state or foreign bankruptcy, insolvency, administration, judicial management, reorganization, liquidation or other similar law or of any other case or proceeding to be adjudicated a bankrupt or insolvent, or the consent by it to the entry of a decree, order, judgment or other similar document in respect of the Company or any Subsidiary in an involuntary case or proceeding under any applicable federal, state or foreign bankruptcy, insolvency, administration, judicial management, reorganization, liquidation or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under any applicable federal, state or foreign law, or the consent by it to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, administrator, judicial manager, assignee, trustee, sequestrator or other similar official of the Company or any Subsidiary or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the execution of a composition of debts, or the occurrence of any other similar federal, state or foreign proceeding, or the admission by it in writing of its inability to pay its debts generally as they become due, the taking of corporate action by the Company or any Subsidiary in furtherance of any such action or the taking of any action by any Person to commence a Uniform Commercial Code foreclosure sale or any other similar action under federal, state or foreign law;

(x) the entry by a court of (i) a decree, order, judgment or other similar document in respect of the Company or any Subsidiary of a voluntary or involuntary case or proceeding under any applicable federal, state or foreign bankruptcy, insolvency, administration, judicial management, reorganization, liquidation or other similar law or (ii) a decree, order, judgment or other similar document adjudging the Company or any Subsidiary as bankrupt or insolvent, or approving as properly filed a petition seeking liquidation, reorganization, arrangement, adjustment, administration, judicial management or composition of or in respect of the Company or any Subsidiary under any applicable federal, state or foreign law or (iii) a decree, order, judgment or other similar document appointing a custodian, receiver, liquidator, administrator, judicial manager, assignee, trustee, sequestrator or other similar official of the Company or any Subsidiary or of any substantial part of its property, or ordering the administration, judicial management, winding up or liquidation of its affairs, and the continuance of any such decree, order, judgment or other similar document or any such other decree, order, judgment or other similar document unstayed and in effect for a period of sixty (60) consecutive days;

(xi) a final judgment or judgments for the payment of money aggregating in excess of $500,000 are rendered against the Company and/or any of its Subsidiaries and which judgments are not, within thirty (30) days after the entry thereof, bonded, discharged, settled or stayed pending appeal, or are not discharged within thirty (30) days after the expiration of such stay; provided, however, any judgment which is covered by insurance or an indemnity from a credit worthy party shall not be included in calculating the $500,000 amount set forth above so long as the Company provides the Holder a written statement from such insurer or indemnity provider (which written statement shall be reasonably satisfactory to the Holder) to the effect that such judgment is covered by insurance or an indemnity and the Company or such Subsidiary (as the case may be) will receive the proceeds of such insurance or indemnity within thirty (30) days of the issuance of such judgment;

(xii) the Company and/or any Subsidiary, individually or in the aggregate, either (i) fails to pay, when due, or within any applicable grace period, any payment with respect to any Indebtedness in excess of $500,000 due to any third party (other than, with respect to Indebtedness, payments contested by the Company and/or such Subsidiary (as the case may be) in good faith by proper proceedings and with respect to which adequate reserves have been set aside for the payment thereof in accordance with GAAP) or is otherwise in breach or violation of any agreement for monies owed or owing in an amount in excess of $500,000, which breach or violation permits the other party thereto to declare a default or otherwise accelerate amounts due thereunder, or (ii) suffers to exist any other circumstance or event that would, with or without the passage of time or the giving of notice, result in a default or event of default under any agreement binding the Company or any Subsidiary, which default or event of default would or is likely to have a material adverse effect on the business, assets, operations (including results thereof), liabilities, properties, condition (including financial condition) or prospects of the Company or any of its Subsidiaries, individually or in the aggregate;

(xiii) other than as specifically set forth in another clause of this Section 4(a), the Company or any Subsidiary breaches any representation or warranty or any covenant or other term or condition, in each case, set forth in any of the Transaction Documents in any respect, except, in the case of a breach of a covenant or term or condition that is curable, only if such breach remains uncured for a period of two (2) consecutive Trading Days;

(xiv) a false or inaccurate certification (including a false or inaccurate deemed certification) by the Company as to whether any Event of Default has occurred;

(xv) any Material Adverse Effect (as defined in the Securities Purchase Agreement) occurs;

(xvi) the occurrence of any Public Information Failure (as defined in the Securities Purchase Agreement) that remains uncured for at least 10 calendar days;

(xvii) any provision of any Transaction Document shall at any time for any reason (other than pursuant to the express terms thereof) cease to be valid and binding on or enforceable against the parties thereto, or the validity or enforceability thereof shall be contested by any party thereto, or a proceeding shall be commenced by the Company or any Subsidiary or any governmental authority having jurisdiction over any of them, seeking to establish the invalidity or unenforceability thereof, or the Company or any Subsidiary shall deny in writing that it has any liability or obligation purported to be created under any Transaction Document;

(xviii) if either (i) the Chief Executive Officer as of the date hereof ceases to be the Chief Executive Officer of the Company or (ii) the Chief Financial Officer as of the date hereof ceases to be the Chief Financial Officer of the Company;

(xix) at any time following the tenth (10^{th}) consecutive day that the Holder's allocation of the Required Reserve Amount (as defined in Section 11(a) below) is less than the sum of (A) the number of shares of Common Stock that the Holder would be entitled to receive upon a conversion of the full Conversion Amount of this Note (assuming a conversion at the Conversion Price then in effect and without regard to any limitations on conversion set forth in Section 3(d), or otherwise), and (B) the number of shares of Common Stock that the Holder would be entitled to receive upon exercise in full of the Holder's Warrants (without regard to any limitations on exercise set forth in the Warrants); or

(xx) any Event of Default (as defined in the Other Notes) occurs with respect to any Other Notes.

(b) Notice of an Event of Default; Redemption Right. Upon the occurrence of an Event of Default with respect to this Note or any Other Note, the Company shall within one (1) Business Day deliver written notice thereof via electronic mail and overnight courier (with next day delivery specified) (an "**Event of Default Notice**") to the Holder. At any time after the earlier of the Holder's receipt of an Event of Default Notice and the Holder becoming aware of an Event of Default the Holder may, regardless of whether such Event of Default has been cured, require the Company to redeem all or any portion of this Note by delivering written notice thereof (the "**Event of Default Redemption Notice**") to the Company, which Event of Default Redemption Notice shall indicate the portion of this Note the Holder is electing to redeem. Each portion of this Note subject to redemption by the Company pursuant to this Section 4(b) shall be redeemed by the Company at a price equal to the greater of (i) product of (A) the Conversion Amount to be redeemed multiplied by (B) the Redemption Premium and (ii) the product of (X) the Conversion Rate (calculated assuming the Conversion Price as of the date of the Event of Default Redemption Notice) with respect to the Conversion Amount in effect at such time as the Holder delivers an Event of Default Redemption Notice multiplied by (Y) the product of (1) the Redemption Premium multiplied by (2) the greatest Closing Sale Price of the Common Stock on any Trading Day during the period commencing on the date immediately preceding such Event of Default and ending on the date the Company makes the entire payment required to be made under this Section 4(b) (the "**Event of Default Redemption Price**"). Redemptions required by this Section 4(b) shall be made in accordance with the provisions of Section 12. To the extent redemptions required by this Section 4(b) are deemed or determined by a court of competent jurisdiction to be prepayments of this Note by the Company, such redemptions shall be deemed to be voluntary prepayments. Notwithstanding anything to the contrary in this Section 4(b), but subject to Section 3(d), until the Event of Default Redemption Price (together with any Late Charges thereon) is paid in full, the Conversion Amount submitted for redemption under this Section 4(b) (together with any Late Charges thereon) may be converted, in whole or in part, by the Holder into shares of Common Stock pursuant to the terms of this Note. In the event of the Company's redemption of any portion of this Note under this Section 4(b), the Holder's damages would be uncertain and difficult to estimate because of the parties' inability to predict future interest rates and the uncertainty of the availability of a suitable substitute investment opportunity for the Holder. Accordingly, any redemption premium due under this Section 4(b) is intended by the parties to be, and shall be deemed, a reasonable estimate of the Holder's actual loss of its investment opportunity and not as a penalty. Any redemption upon an Event of Default shall not constitute an election of remedies by the Holder, and all other rights and remedies of the Holder shall be preserved. For the avoidance of doubt, the provisions of this Section 4(b) shall apply to successive Events of Default.

(c) Mandatory Redemption upon Bankruptcy Event of Default. Notwithstanding anything to the contrary herein, and notwithstanding any conversion that is then required or in process, upon any Bankruptcy Event of Default, whether occurring prior to or following the Maturity Date, the Company shall immediately pay to the Holder an amount in cash representing (i) the Outstanding Value of this Note, multiplied by (ii) the Redemption Premium, in addition to any and all other amounts due hereunder, without the requirement for any notice or demand or other action by the Holder or any other person or entity, provided that the Holder may, in its sole discretion, waive such right to receive payment upon a Bankruptcy Event of Default, in whole or in part, and any such waiver shall not affect any other rights of the Holder hereunder, including any other rights in respect of such Bankruptcy Event of Default, any right to conversion, and any right to payment of the Event of Default Redemption Price or any other Redemption Price, as applicable.

5. RIGHTS UPON FUNDAMENTAL TRANSACTION.

(a) Assumption. The Company shall not enter into or be party to a Fundamental Transaction unless (i) the Successor Entity (if the Successor Entity is not the Company) assumes in writing all of the obligations of the Company under this Note and the other Transaction Documents in accordance with the provisions of this Section 5(a) pursuant to written agreements in form and substance satisfactory to the Holder, such consent not to be unreasonably withheld, and approved by the Holder prior to such Fundamental Transaction, including agreements to deliver to each holder of Notes in exchange for such Notes a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to the Notes, including, without limitation, having a principal amount and interest rate equal to the principal amounts then outstanding and the interest rates of the Notes held by such holder, having similar conversion rights as the Notes and having similar ranking and security to the Notes, and satisfactory to the Holder and (ii) the Successor Entity (including its Parent Entity) is a publicly traded corporation whose common stock is quoted on or listed for trading on an Eligible Market. Upon the occurrence of any Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of this Note and the other Transaction Documents referring to the "Company" shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under this Note and the other Transaction Documents with the same effect as if such Successor Entity had been named as the Company herein. Upon consummation of a Fundamental Transaction, the Successor Entity shall deliver to the Holder confirmation that there shall be issued upon conversion or redemption of this Note at any time after the consummation of such Fundamental Transaction, in lieu of the shares of Common Stock (or other securities, cash, assets or other property (except such items still issuable under Sections 6 and 17, which shall continue to be receivable thereafter)) issuable upon the conversion or redemption of the Notes prior to such Fundamental Transaction, such shares of the publicly traded common stock (or their equivalent) of the Successor Entity (including its Parent Entity) which the Holder would have been entitled to receive upon the happening of such Fundamental Transaction had this Note been converted immediately prior to such Fundamental Transaction (without regard to any limitations on the conversion of this Note), as adjusted in accordance with the provisions of this Note. Notwithstanding the foregoing, the Holder may elect, at its sole option, by delivery of written notice to the Company to waive this Section 5(a) to permit the Fundamental Transaction without the assumption of this Note. The provisions of this Section 5 shall apply similarly and equally to successive Fundamental Transactions and shall be applied without regard to any limitations on the conversion of this Note.

(b) Notice of a Change of Control; Redemption Right. No sooner than twenty (20) Trading Days nor later than ten (10) Trading Days prior to the consummation of a Change of Control (the "**Change of Control Date**"), but not prior to the public announcement of such Change of Control, the Company shall deliver written notice thereof via electronic mail or overnight courier to the Holder (a "**Change of Control Notice**"). At any time during the period beginning after the Holder's receipt of a Change of Control Notice or the Holder becoming aware of a Change of Control if a Change of Control Notice is not delivered to the Holder in accordance with the immediately preceding sentence (as applicable) and ending on twenty (20) Trading Days after the later of (A) the date of consummation of such Change of Control or (B) the date of receipt of such Change of Control Notice or (C) the date of the announcement of such Change of Control, the Holder may require the Company to redeem all or any portion of this Note by delivering written notice thereof ("**Change of Control Redemption Notice**") to the Company, which Change of Control Redemption Notice shall indicate the Conversion Amount the Holder is electing to redeem. The portion of this Note subject to redemption pursuant to this Section 5 shall be redeemed by the Company in cash at a price equal to the greater of (i) the product of (w) the Change of Control Redemption Premium multiplied by (y) the Conversion Amount being redeemed, and (ii) the product of (x) the Change of Control Redemption Premium multiplied by (y) the product of (A) the Conversion Amount being redeemed multiplied by (B) the quotient determined by dividing (I) the greatest Closing Sale Price of the Common Stock during the period beginning on the date immediately preceding the earlier to occur of (1) the consummation of the applicable Change of Control and (2) the public announcement of such Change of Control and ending on the date the Holder delivers the Change of Control Redemption Notice by (II) the Conversion Price then in effect and (iii) the product of (y) the Change of Control Redemption Premium multiplied by (z) the product of (A) the Conversion Amount being redeemed multiplied by (B) the quotient of (I) the aggregate cash consideration and the aggregate cash value of any non-cash consideration per share of Common Stock to be paid to the holders of the shares of Common Stock upon consummation of such Change of Control (any such non-cash consideration constituting publicly-traded securities shall be valued at the highest of the Closing Sale Price of such securities as of the Trading Day immediately prior to the consummation of such Change of Control, the Closing Sale Price of such securities on the Trading Day immediately following the public announcement of such proposed Change of Control and the Closing Sale Price of such securities on the Trading Day immediately prior to the public announcement of such proposed Change of Control) divided by (II) the Conversion Price then in effect (the "**Change of Control Redemption Price**"). Redemptions required by this Section 5 shall be made in accordance with the provisions of Section 12 and shall have priority to payments to stockholders in connection with such Change of Control. To the extent redemptions required by this Section 5(b) are deemed or determined by a court of competent jurisdiction to be prepayments of this Note by the Company, such redemptions shall be deemed to be voluntary prepayments. Notwithstanding anything to the contrary in this Section 5, but subject to Section 3(d), until the Change of Control Redemption Price (together with any Late Charges thereon) is paid in full, the Conversion Amount submitted for redemption under this Section 5(b) (together with any Late Charges thereon) may be converted, in whole or in part, by the Holder into shares of Common Stock pursuant to Section 3. In the event of the Company's redemption of any portion of this Note under this Section 5(b), the Holder's damages would be uncertain and difficult to estimate because of the parties' inability to predict future interest rates and the uncertainty of the availability of a suitable substitute investment opportunity for the Holder. Accordingly, any redemption premium due under this Section 5(b) is intended by the parties to be, and shall be deemed, a reasonable estimate of the Holder's actual loss of its investment opportunity and not as a penalty.

6. RIGHTS UPON ISSUANCE OF PURCHASE RIGHTS AND OTHER CORPORATE EVENTS.

(a) Purchase Rights. In addition to any adjustments pursuant to Sections 7 or 17 below, if at any time the Company grants, issues or sells any Options, Convertible Securities or rights to purchase stock, warrants, securities or other property pro rata to all or substantially all of the record holders of any class of shares of Common Stock (the "**Purchase Rights**"), then the Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Holder could have acquired if the Holder had held the number of shares of Common Stock acquirable upon complete conversion of this Note (without taking into account any limitations or restrictions on the convertibility of this Note and assuming for such purpose that the Note was converted at the Conversion Price as of the applicable record date) immediately prior to the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the grant, issue or sale of such Purchase Rights (provided, however, that to the extent that the Holder's right to participate in any such Purchase Right would result in the Holder and the other Attribution Parties exceeding the Maximum Percentage, then the Holder shall not be entitled to participate in such Purchase Right to the extent of the Maximum Percentage (and shall not be entitled to beneficial ownership of such shares of Common Stock as a result of such Purchase Right (and beneficial ownership) to the extent of any such excess) and such Purchase Right to such extent shall be held in abeyance (and, if such Purchase Right has an expiration date, maturity date or other similar provision, such term shall be extended by such number of days held in abeyance, if applicable) for the benefit of the Holder until such time or times, if ever, as its right thereto would not result in the Holder and the other Attribution Parties exceeding the Maximum Percentage, at which time or times the Holder shall be granted such right (and any Purchase Right granted, issued or sold on such initial Purchase Right or on any subsequent Purchase Right held similarly in abeyance (and, if such Purchase Right has an expiration date, maturity date or other similar provision, such term shall be extended by such number of days held in abeyance, if applicable)) to the same extent as if there had been no such limitation).

(b) Other Corporate Events. In addition to and not in substitution for any other rights hereunder, prior to the consummation of any Fundamental Transaction pursuant to which holders of shares of Common Stock are entitled to receive securities or other assets with respect to or in exchange for shares of Common Stock (a "**Corporate Event**"), the Company shall make appropriate provision to ensure that the Holder will thereafter have the right to receive upon a conversion of this Note, at the Holder's option (i) in addition to the shares of Common Stock receivable upon such conversion, such securities or other assets to which the Holder would have been entitled with respect to such shares of Common Stock had such shares of Common Stock been held by the Holder upon the consummation of such Corporate Event (without taking into account any limitations or restrictions on the convertibility of this Note) or (ii) in lieu of the shares of Common Stock otherwise receivable upon such conversion, such securities or other assets received by the holders of shares of Common Stock in connection with the consummation of such Corporate Event in such amounts as the Holder would have been entitled to receive had this Note initially been issued with conversion rights for the form of such consideration (as opposed to shares of Common Stock) at a conversion rate for such consideration commensurate with the Conversion Rate. Provision made pursuant to the preceding sentence shall be in a form and substance satisfactory to the Holder. The provisions of this Section 6 shall apply similarly and equally to successive Corporate Events and shall be applied without regard to any limitations on the conversion or redemption of this Note.

7. RIGHTS UPON ISSUANCE OF OTHER SECURITIES.

(a) Adjustment of Conversion Price upon Subdivision or Combination of Shares of Common Stock. Without limiting any provision of Section 6 or Section 17, if the Company at any time on or after the Closing Date subdivides (by any stock split, stock dividend, stock combination, recapitalization or other similar transaction) its outstanding shares of Common Stock into a greater number of shares, the Conversion Price in effect immediately prior to such subdivision will be proportionately reduced. Without limiting any provision of Section 6, if the Company at any time on or after the Closing Date combines (by any stock split, stock dividend, stock combination, recapitalization or other similar transaction) its outstanding shares of Common Stock into a smaller number of shares, the Conversion Price in effect immediately prior to such combination will be proportionately increased. Any adjustment pursuant to this Section 7(a) shall become effective immediately after the effective date of such subdivision or combination. If any event requiring an adjustment under this Section 7(a) occurs during the period that a Conversion Price is calculated hereunder, then the calculation of such Conversion Price shall be adjusted appropriately to reflect such event.

(b) [Reserved.]

(c) [Reserved.]

(d) Calculations. All calculations under this Section 7 shall be made by rounding to the nearest cent or the nearest $1/100^{th}$ of a share, as applicable. The number of shares of Common Stock outstanding at any given time shall not include shares owned or held by or for the account of the Company, and the disposition of any such shares shall be considered an issue or sale of shares of Common Stock.

(e) Voluntary Adjustment by Company. Subject to the rules and regulations of the Principal Market, the Company may at any time during the term of this Note, with the prior written consent of the Required Holders (as defined in the Securities Purchase Agreement), reduce the then current Conversion Price of each of the Notes to any amount and for any period of time deemed appropriate by the board of directors of the Company provided, however, that if the conversion price of any Other Notes is reduced, the Holder shall have the right to elect to have the Conversion Price of this Note reduced to such lower price, effective concurrently therewith.

8. [RESERVED].

9. SUBSEQUENT PLACEMENT OPTIONAL REDEMPTION.

(a) General. At any time from and after the earlier of (x) the date the Holder becomes aware of the occurrence of a Subsequent Placement (the "**Holder Notice Date**") and (y) the time of consummation of a Subsequent Placement (in each case, other than with respect to Excluded Securities) (each, an "**Eligible Subsequent Placement**"), the Holder shall have the right, in its sole discretion, to require that the Company (i) *initially*, pay any then unpaid and outstanding Cash True Up Amounts in full and (ii) *thereafter*, redeem (each a "**Subsequent Placement Optional Redemption**") all, or any portion, of the Conversion Amount under this Note not in excess of the Holder's Holder Pro Rata Amount of 30% (to be increased to (A) 50%, in the event any Cash True Up Amount are then unpaid and outstanding and (B) 80%, in the event of any Eligible Subsequent Placement in which the Holder participates as an investor, whether or not any Cash True-Up Amounts are then unpaid and outstanding) of the gross proceeds from all Eligible Subsequent Placements (the "**Eligible Subsequent Placement Optional Redemption Amount**") by delivering written notice thereof (a "**Subsequent Placement Optional Redemption Notice**") to the Company. Notwithstanding the foregoing, if the Holder is participating in an Eligible Subsequent Placement, upon the written request of the Holder, the Company shall apply all, or any part, as set forth in such written request, of any amounts that would otherwise be payable to the Holder in such Subsequent Placement Optional Redemption, on a dollar-for-dollar basis, against the purchase price of the securities to be purchased by the Holder in such Eligible Subsequent Placement.

(b) Mechanics. Each Subsequent Placement Optional Redemption Notice shall indicate that all, or such applicable portion, as set forth in the applicable Subsequent Placement Optional Redemption Notice, of the Eligible Subsequent Placement Optional Redemption Amount the Holder is electing to have redeemed (the "**Subsequent Placement Optional Redemption Amount**") and the date of such Subsequent Placement Optional Redemption (the "**Subsequent Placement Optional Redemption Date**"), which shall be the later of (x) the fifteenth (15^{th}) Business Day after the date of the applicable Subsequent Placement Optional Redemption Notice and (y) the date of the consummation of such Eligible Subsequent Placement. The portion of the Outstanding Value of this Note subject to redemption pursuant to this Section 9 shall be redeemed by the Company in cash at a price equal to 110% of the Subsequent Placement Optional Redemption Amount (the "**Subsequent Placement Optional Redemption Price**"). Redemptions required by this Section 9 shall be made in accordance with the provisions of Section 12. For greater certainty, the Subsequent Placement Optional Redemption Amount shall be applied to this Note as provided in the last sentence of Section 1.

10. NONCIRCUMVENTION. The Company hereby covenants and agrees that the Company will not, by amendment of its Certificate of Incorporation (as defined in the Securities Purchase Agreement), Bylaws (as defined in the Securities Purchase Agreement) or through any reorganization, transfer of assets, consolidation, merger, scheme of arrangement, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Note, and will at all times in good faith carry out all of the provisions of this Note and take all action as may be required to protect the rights of the Holder of this Note. Without limiting the generality of the foregoing or any other provision of this Note or the other Transaction Documents, the Company (a) shall not increase the par value of any shares of Common Stock receivable upon conversion of this Note above the Conversion Price then in effect, and (b) shall take all such actions as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable shares of Common Stock upon the conversion of this Note. Notwithstanding anything herein to the contrary, if after the sixty (60) calendar day anniversary of the Issuance Date, the Holder is not permitted to convert this Note in full for any reason (other than pursuant to restrictions set forth in Section 3(d) hereof), the Company shall use its best efforts to promptly remedy such failure, including, without limitation, obtaining such consents or approvals as necessary to permit such conversion into shares of Common Stock.

11. RESERVATION OF AUTHORIZED SHARES.

(a) Reservation. So long as this Note remains outstanding, the Company shall at all times reserve at least 100% of the number of shares of Common Stock as shall from time to time be necessary to effect the conversion of the Outstanding Value of this Note then outstanding at the Floor Price (without regard to any limitations on conversions and assuming this Note remains outstanding until the Maturity Date), provided, that such calculation of shares of Common Stock calculated for these purposes shall only be required to be calculated by the Company on a monthly basis (the "**Required Reserve Amount**").

(b) Insufficient Authorized Shares. If, notwithstanding Section 11(a), and not in limitation thereof, at any time while any of the Notes remain outstanding the Company does not have a sufficient number of authorized and unreserved shares of Common Stock at such time of calculation to satisfy its obligation to reserve for issuance upon conversion of the Notes at least a number of shares of Common Stock equal to the Required Reserve Amount (an "**Authorized Share Failure**"), then the Company shall immediately take all action necessary to increase the Company's authorized shares of Common Stock to an amount sufficient to allow the Company to reserve the Required Reserve Amount for the Notes then outstanding. Without limiting the generality of the foregoing sentence, as soon as practicable after the date of the occurrence of an Authorized Share Failure, but in no event later than sixty (60) days after the occurrence of such Authorized Share Failure, the Company shall hold a meeting of its stockholders for the approval of an increase in the number of authorized shares of Common Stock. In connection with such meeting, the Company shall provide each stockholder with a proxy statement and shall use its best efforts to solicit its stockholders' approval of such increase in authorized shares of Common Stock and to cause its board of directors to recommend to the stockholders that they approve such proposal. Notwithstanding the foregoing, if any such time of an Authorized Share Failure, the Company is able to obtain the written consent of a majority of the shares of its issued and outstanding shares of Common Stock to approve the increase in the number of authorized shares of Common Stock, the Company may satisfy this obligation by obtaining such consent and submitting for filing with the Commission an Information Statement on Schedule 14C. In the event that the Company is prohibited from issuing shares of Common Stock pursuant to the terms of this Note due to the failure by the Company to have sufficient shares of Common Stock available out of the authorized but unissued shares of Common Stock (such unavailable number of shares of Common Stock, the "**Authorized Failure Shares**"), in lieu of delivering such Authorized Failure Shares to the Holder, the Company shall pay cash in exchange for the redemption of such portion of the Conversion Amount convertible into such Authorized Failure Shares at a price equal to the sum of (i) the product of (x) such number of Authorized Failure Shares and (y) the greatest Closing Sale Price of the shares of Common Stock on any Trading Day during the period commencing on the date the Holder delivers the applicable Conversion Notice with respect to such Authorized Failure Shares to the Company and ending on the date of such issuance and payment under this Section 11; and (ii) to the extent the Holder purchases (in an open market transaction or otherwise) shares of Common Stock to deliver in satisfaction of a sale by the Holder of Authorized Failure Shares, any brokerage commissions and other out-of-pocket expenses, if any, of the Holder incurred in connection therewith. Nothing contained in this Section 11 shall limit any obligations of the Company under any provision of the Securities Purchase Agreement.

12. REDEMPTIONS.

(a) Mechanics. The Company shall deliver the applicable Event of Default Redemption Price to the Holder in cash within five (5) Business Days after the Company's receipt of the Holder's Event of Default Redemption Notice. If the Holder has submitted a Change of Control Redemption Notice in accordance with Section 5, the Company shall deliver the applicable Change of Control Redemption Price to the Holder in cash concurrently with the consummation of such Change of Control if such notice is received prior to the consummation of such Change of Control and within five (5) Business Days after the Company's receipt of such notice otherwise. The Company shall deliver the applicable Subsequent Placement Optional Redemption Price to the Holder in cash on the applicable Subsequent Placement Optional Redemption Date. Notwithstanding anything herein to the contrary, in connection with any redemption hereunder at a time the Holder is entitled to receive a cash payment under any of the other Transaction Documents, at the option of the Holder delivered in writing to the Company, the applicable Redemption Price hereunder shall be increased by the amount of such cash payment owed to the Holder under such other Transaction Document and, upon payment in full or conversion in accordance herewith, shall satisfy the Company's payment obligation under such other Transaction Document. In the event of a redemption of less than all of the Conversion Amount of this Note, the Company shall promptly cause to be issued and delivered to the Holder a new Note (in accordance with Section 20(d)) representing the Outstanding Principal Value of this Note which has not been redeemed. In the event that the Company does not pay the applicable Redemption Price to the Holder within the time period required, at any time thereafter and until the Company pays such unpaid Redemption Price in full, the Holder shall have the option, in lieu of redemption, to require the Company to promptly return to the Holder all or any portion of this Note representing the Conversion Amount that was submitted for redemption and for which the applicable Redemption Price (together with any Late Charges thereon) has not been paid. Upon the Company's receipt of such notice, (x) the applicable Redemption Notice shall be null and void with respect to such Conversion Amount, and (y) the Company shall immediately return this Note, or issue a new Note (in accordance with Section 20(d), to the Holder, and in each case the principal amount of this Note or such new Note (as the case may be) shall be increased by an amount equal to the difference between (1) the applicable Redemption Price (as the case may be, and as adjusted pursuant to this Section 12(a), if applicable) minus (2) the Outstanding Principal Value portion of the Conversion Amount submitted for redemption. The Holder's delivery of a notice voiding a Redemption Notice and exercise of its rights following such notice shall not affect the Company's obligations to make any payments of Late Charges which have accrued prior to the date of such notice with respect to the Conversion Amount subject to such notice.

(b) Redemption by Other Holders. Upon the Company's receipt of notice from any of the holders of the Other Notes for redemption or repayment as a result of an event or occurrence substantially similar to the events or occurrences described in Section 4(b), Section 5(b) or Section 9 (each, an "**Other Redemption Notice**"), the Company shall immediately, but no later than one (1) Business Day of its receipt thereof, forward to the Holder by electronic mail a copy of such notice. If the Company receives a Redemption Notice and one or more Other Redemption Notices, during the seven (7) Business Day period beginning on and including the date which is two (2) Business Days prior to the Company's receipt of the Holder's applicable Redemption Notice and ending on and including the date which is two (2) Business Days after the Company's receipt of the Holder's applicable Redemption Notice and the Company is unable to redeem all principal, interest and other amounts designated in such Redemption Notice and such Other Redemption Notices received during such seven (7) Business Day period, then the Company shall redeem a pro rata amount from each holder of the Notes (including the Holder) based on the principal amount of the Notes submitted for redemption pursuant to such Redemption Notice and such Other Redemption Notices received by the Company during such seven (7) Business Day period.

(c) Redemption at the Option of the Company.

(i) The Company shall have the right to redeem all or any portion of the Outstanding Value of this Note at such time (the "**Optional Redemption**") at a redemption price equal to the product of (x) the Redemption Premium multiplied by (y) the Conversion Amount of the Outstanding Value of this Note being redeemed (such price, the "**Optional Redemption Price**"). Notwithstanding the foregoing, the Company will not exercise its rights to Optional Redemption, or otherwise send a Notice of Optional Redemption (as defined below) unless the Company has sufficient funds legally available to fully pay the Optional Redemption Price in respect of the Outstanding Value of this Note called for Optional Redemption. The Optional Redemption Price shall be payable in cash.

(ii) If the Company elects to effect an Optional Redemption, the Company shall send to the Holders a written notice (i) notifying the Holders of the election of the Company to redeem all or the applicable part of the Outstanding Value of this Note and the date set for redemption (the "**Optional Redemption Date**"), (ii) stating the place or places at which the Outstanding Value of this Note shall be redeemed (and other instructions a Holder must follow to receive payment), and (iii) stating the Optional Redemption Price therefor (such notice, a "**Notice of Optional Redemption**"; and the date all of the Holder received such notice is referred to as the "**Optional Redemption Notice Date**"). The Optional Redemption Date selected by the Company shall be no less than fifteen (15) Trading Days after the later of (a) the date on which the Company provides the Notice of Optional Redemption to the Holder, or (b) the date on which the Registration Statement (as defined in the Registration Rights Agreement) is declared effective by the Commission. All Conversion Amounts converted by a Holder after the Company provides the Notice of Optional Redemption to the Holders shall reduce the Optional Redemption amount of the Outstanding Value of this Note such Holder required to be redeemed on the Optional Redemption Date.

(iii) With respect to any Outstanding Value of this Note which has not been converted by a Holder prior to the Optional Redemption Date and have been specified to be redeemed by the Company pursuant to the Optional Redemption and which has been redeemed in accordance with the provisions of this Section 12, such Outstanding Value of this Note shall no longer be deemed outstanding and all rights with respect to such Outstanding Value of this Note shall cease and terminate.

(iv) In the event of the Company's redemption of any of the Outstanding Value of this Note under this Section 12, a Holder's damages would be uncertain and difficult to estimate because of the parties' inability to predict future interest rates and the uncertainty of the availability of a suitable substitute investment opportunity for such Holder. Accordingly, any redemption premium due under this Section 12 is intended by the parties to be, and shall be deemed, a reasonable estimate of such Holder's actual loss of its investment opportunity and not as a penalty.

13. [Reserved.]

14. COVENANTS. Until all of the Notes have been converted, redeemed or otherwise satisfied in accordance with their terms:

(a) Rank. All payments due under this Note (a) shall rank *pari passu* with all Other Notes and (b) shall be senior to all other Indebtedness of the Company and its Subsidiaries.

(b) Incurrence of Indebtedness. The Company shall not, and the Company shall cause each of its Subsidiaries to not, directly or indirectly, incur or guarantee, assume any Indebtedness (other than (i) the Indebtedness evidenced by this Note and the Other Notes and (ii) other Permitted Indebtedness).

(c) Existence of Liens. The Company shall not, and the Company shall cause each of its Subsidiaries to not, directly or indirectly, allow any mortgage, lien, pledge, charge, security interest or other encumbrance upon or in any property or assets (including accounts and contract rights) owned by the Company or any of its Subsidiaries (collectively, "**Liens**") other than Permitted Liens.

(d) Restricted Payments and Investments. The Company shall not, and the Company shall cause each of its Subsidiaries to not, directly or indirectly, redeem, defease, repurchase, repay or make any payments in respect of, by the payment of cash or cash equivalents (in whole or in part, whether by way of open market purchases, tender offers, private transactions or otherwise), all or any portion of any Indebtedness (other than the Notes) whether by way of payment in respect of principal of (or premium, if any) or interest on, such Indebtedness or make any Investment, as applicable; provided that, the foregoing shall not prohibit payments in respect of (i) Indebtedness (other than Related Party Indebtedness) in the aggregate amount not to exceed $500,000, or (ii) any Indebtedness relating to equipment acquired or held by the Company or any of its Subsidiaries.

(e) Restriction on Redemption and Cash Dividends. The Company shall not, and the Company shall cause each of its Subsidiaries to not, directly or indirectly, redeem, repurchase or declare or pay any cash dividend or distribution out of its capital stock.

(f) Restriction on Transfer of Assets. The Company shall not, and the Company shall cause each of its Subsidiaries to not, directly or indirectly, sell, lease, license, assign, transfer, spin-off, split-off, close, convey or otherwise dispose of any assets or rights of the Company or any Subsidiary owned or hereafter acquired whether in a single transaction or a series of related transactions, other than (i) sales, leases, licenses, assignments, transfers, conveyances and other dispositions of such assets or rights by the Company and its Subsidiaries in the ordinary course of business consistent with its past practice and (ii) sales of inventory and product in the ordinary course of business.

(g) Maturity of Indebtedness. The Company shall not, and the Company shall cause each of its Subsidiaries to not, directly or indirectly, permit any Indebtedness of the Company or any of its Subsidiaries to accelerate prior to the Maturity Date.

(h) Change in Nature of Business. The Company shall not, and the Company shall cause each of its Subsidiaries to not, directly or indirectly, engage in any material line of business substantially different from those lines of business conducted by or publicly contemplated to be conducted by the Company and each of its Subsidiaries on the Closing Date or any business substantially related or incidental thereto. The Company shall not, and the Company shall cause each of its Subsidiaries to not, directly or indirectly, modify its or their corporate structure or purpose.

(i) Preservation of Existence, Etc. The Company shall maintain and preserve, and cause each of its Subsidiaries to maintain and preserve, its existence, rights and privileges, and become or remain, and cause each of its Subsidiaries to become or remain, duly qualified and in good standing in each jurisdiction in which the character of the properties owned or leased by it or in which the transaction of its business makes such qualification necessary.

(j) Maintenance of Properties, Etc. The Company shall maintain and preserve, and cause each of its Subsidiaries to maintain and preserve, all of its properties which are necessary or useful in the proper conduct of its business in good working order and condition, ordinary wear and tear excepted, unless they are replaced and comply, and cause each of its Subsidiaries to comply, at all times with the provisions of all leases to which it is a party as lessee or under which it occupies property, so as to prevent any loss or forfeiture thereof or thereunder.

(k) Maintenance of Intellectual Property. The Company will, and will cause each of its Subsidiaries to, take all action necessary or advisable to maintain all of the Intellectual Property Rights (as defined in the Securities Purchase Agreement) of the Company and/or any of its Subsidiaries that are necessary or material to the conduct of its business in full force and effect.

(l) Maintenance of Insurance. The Company shall maintain, and cause each of its Subsidiaries to maintain, insurance with responsible and reputable insurance companies or associations (including, without limitation, comprehensive general liability, hazard, rent and business interruption insurance) with respect to its properties (including all real properties leased or owned by it) and business, in such amounts and covering such risks as is required by any governmental authority having jurisdiction with respect thereto or as is carried generally in accordance with sound business practice by companies in similar businesses similarly situated (including, without limitation, and for the avoidance of doubt, at least $2,000,000 in director's and officer's insurance).

(m) Transactions with Affiliates. The Company shall not, nor shall it permit any of its Subsidiaries to, enter into, renew, extend or be a party to, any transaction or series of related transactions (including, without limitation, the purchase, sale, lease, transfer or exchange of property or assets of any kind or the rendering of services of any kind) with any affiliate, except transactions in the ordinary course of business in a manner and to an extent consistent with past practice and necessary or desirable for the prudent operation of its business, for fair consideration and on terms no less favorable to it or its Subsidiaries than would be obtainable in a comparable arm's length transaction with a Person that is not an affiliate thereof.

(n) Restricted Issuances. The Company shall not, directly or indirectly, without the prior written consent of the holders of a majority in aggregate principal amount of the Notes then outstanding, (i) issue any Notes (other than as contemplated by the Securities Purchase Agreement and the Notes) or (ii) issue any other securities that would cause a breach or default under the Notes or the Warrants.

(o) Merchant Cash Advance Agreements. The Company shall not, and the Company shall cause each of its Subsidiaries to not, directly or indirectly, enter into any merchant cash advance agreement or similar arrangement without the prior consent of the Holder.

(p) Intentionally Omitted.

(q) Intentionally Omitted.

(r) Stay, Extension and Usury Laws. To the extent that it may lawfully do so, the Company (A) agrees that it will not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law (wherever or whenever enacted or in force) that may affect the covenants or the performance of this Note; and (B) expressly waives all benefits or advantages of any such law and agrees that it will not, by resort to any such law, hinder, delay or impede the execution of any power granted to the Holder by this Note, but will suffer and permit the execution of every such power as though no such law has been enacted.

(s) Taxes. The Company and its Subsidiaries shall pay when due all taxes, fees or other charges of any nature whatsoever (together with any related interest or penalties) now or hereafter imposed or assessed against the Company and its Subsidiaries or their respective assets or upon their ownership, possession, use, operation or disposition thereof or upon their rents, receipts or earnings arising therefrom (except where the failure to pay would not, individually or in the aggregate, have a material effect on the Company or any of its Subsidiaries). The Company and its Subsidiaries shall file on or before the due date therefor all personal property tax returns (except where the failure to file would not, individually or in the aggregate, have a material effect on the Company or any of its Subsidiaries). Notwithstanding the foregoing, the Company and its Subsidiaries may contest, in good faith and by appropriate proceedings, taxes for which they maintain adequate reserves therefor in accordance with GAAP.

(t) Changes in Business. Until the Initial Registration Statement (as defined in the Registration Rights Agreement) is declared effective by the Commission, the Company shall refrain, and cause its Subsidiaries to refrain, from acquiring any business or disposing of any business if such acquisition or disposition would require the Company to include in such Initial Registration any (x) pro forma financial statements, (y) stand-alone historical financial statements regarding the acquired or disposed business or (z) other information (financial or otherwise) that that is not readily available for inclusion in the Initial Registration Statement prior to the Filing Date or Effectiveness Date (each as defined in the Registration Rights Agreement) therefor.

(u) PCAOB Registered Auditor. At all times any Notes remain outstanding, the Company shall have engaged an independent auditor to audit its financial statements that is registered with (and in compliance with the rules and regulations of) the Public Company Accounting Oversight Board.

(v) Independent Investigation. At the request of the Holder either (x) at any time when an Event of Default has occurred and is continuing, (y) upon the occurrence of an event that with the passage of time or giving of notice would constitute an Event of Default or (z) at any time the Holder reasonably believes an Event of Default may have occurred or be continuing, the Company shall hire an independent, reputable investment bank selected by the Company and approved by the Holder to investigate as to whether any breach of this Note has occurred (the "**Independent Investigator**"). If the Independent Investigator determines that such breach of this Note has occurred, the Independent Investigator shall notify the Company of such breach and the Company shall deliver written notice to each holder of a Note of such breach. In connection with such investigation, the Independent Investigator may, during normal business hours, inspect all contracts, books, records, personnel, offices and other facilities and properties of the Company and its Subsidiaries and, to the extent available to the Company after the Company uses reasonable efforts to obtain them, the records of its legal advisors and accountants (including the accountants' work papers) and any books of account, records, reports and other papers not contractually required of the Company to be confidential or secret, or subject to attorney-client or other evidentiary privilege, and the Independent Investigator may make such copies and inspections thereof as the Independent Investigator may reasonably request. The Company shall furnish the Independent Investigator with such financial and operating data and other information with respect to the business and properties of the Company as the Independent Investigator may reasonably request. The Company shall permit the Independent Investigator to discuss the affairs, finances and accounts of the Company with, and to make proposals and furnish advice with respect thereto to, the Company's officers, directors, key employees and independent public accountants or any of them (and by this provision the Company authorizes said accountants to discuss with such Independent Investigator the finances and affairs of the Company and any Subsidiaries), all at such reasonable times, upon reasonable notice, and as often as may be reasonably requested.

15. [RESERVED].

16. DISTRIBUTION OF ASSETS. In addition to any adjustments pursuant to Sections 6(a) or 7, if the Company shall declare or make any dividend or other distributions of its assets (or rights to acquire its assets) to any or all holders of shares of Common Stock, by way of return of capital or otherwise (including without limitation, any distribution of cash, stock or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, merger, scheme of arrangement or other similar transaction) (the "**Distributions**"), then the Holder will be entitled to such Distributions as if the Holder had held the number of shares of Common Stock acquirable upon complete conversion of this Note (without taking into account any limitations or restrictions on the convertibility of this Note and assuming for such purpose that the Note was converted at the Conversion Price as of the applicable record date) immediately prior to the date on which a record is taken for such Distribution or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for such Distributions (provided, however, that to the extent that the Holder's right to participate in any such Distribution would result in the Holder and the other Attribution Parties exceeding the Maximum Percentage, then the Holder shall not be entitled to participate in such Distribution to the extent of the Maximum Percentage (and shall not be entitled to beneficial ownership of such shares of Common Stock as a result of such Distribution (and beneficial ownership) to the extent of any such excess) and the portion of such Distribution shall be held in abeyance for the benefit of the Holder until such time or times, if ever, as its right thereto would not result in the Holder and the other Attribution Parties exceeding the Maximum Percentage, at which time or times the Holder shall be granted such Distribution (and any Distributions declared or made on such initial Distribution or on any subsequent Distribution held similarly in abeyance) to the same extent as if there had been no such limitation).

17. AMENDING THE TERMS OF THIS NOTE. Except for Section 3(d), which may not be amended, modified or waived by the parties hereto, the prior written consent of the Holder shall be required for any change, waiver or amendment to this Note

18. TRANSFER. This Note and any shares of Common Stock issued upon conversion of this Note may be offered, sold, assigned or transferred by the Holder without the consent of the Company, subject only to the provisions of Section 4.1 of the Securities Purchase Agreement.

19. REISSUANCE OF THIS NOTE.

(a) Transfer. If this Note is to be transferred, the Holder shall surrender this Note to the Company, whereupon the Company will forthwith issue and deliver upon the order of the Holder a new Note (in accordance with Section 20(d)), registered as the Holder may request, representing the outstanding Principal being transferred by the Holder and, if less than the entire outstanding Principal is being transferred, a new Note (in accordance with Section 20(d)) to the Holder representing the outstanding Principal not being transferred. The Holder and any assignee, by acceptance of this Note, acknowledge and agree that, by reason of the provisions of Section 3(c)(iii) following conversion or redemption of any portion of this Note, the outstanding Principal represented by this Note may be less than the Principal stated on the face of this Note.

(b) Lost, Stolen or Mutilated Note. Upon receipt by the Company of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Note (as to which a written certification and the indemnification contemplated below shall suffice as such evidence), and, in the case of loss, theft or destruction, of any indemnification undertaking by the Holder to the Company in customary and reasonable form and, in the case of mutilation, upon surrender and cancellation of this Note, the Company shall execute and deliver to the Holder a new Note (in accordance with Section 20(d)) representing the outstanding Principal.

(c) Note Exchangeable for Different Denominations. This Note is exchangeable, upon the surrender hereof by the Holder at the principal office of the Company, for a new Note or Notes (in accordance with Section 20(d) and in principal amounts of at least $1,000) representing in the aggregate the outstanding Principal of this Note, and each such new Note will represent such portion of such outstanding Principal as is designated by the Holder at the time of such surrender.

(d) Issuance of New Notes. Whenever the Company is required to issue a new Note pursuant to the terms of this Note, such new Note (i) shall be of like tenor with this Note, (ii) shall represent, as indicated on the face of such new Note, the Principal remaining outstanding (or in the case of a new Note being issued pursuant to Section 20(a) or Section 20(c), the Principal designated by the Holder which, when added to the principal represented by the other new Notes issued in connection with such issuance, does not exceed the Principal remaining outstanding under this Note immediately prior to such issuance of new Notes), (iii) shall have an issuance date, as indicated on the face of such new Note, which is the same as the Issuance Date of this Note, (iv) shall have the same rights and conditions as this Note, and (v) shall represent accrued and unpaid Interest and Late Charges on the Principal and Interest of this Note, from the Issuance Date.

20. REMEDIES, CHARACTERIZATIONS, OTHER OBLIGATIONS, BREACHES AND INJUNCTIVE RELIEF. The remedies provided in this Note shall be cumulative and in addition to all other remedies available under this Note and any of the other Transaction Documents at law or in equity (including a decree of specific performance and/or other injunctive relief), and nothing herein shall limit the Holder's right to pursue actual and consequential damages for any failure by the Company to comply with the terms of this Note. No failure on the part of the Holder to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise by the Holder of any right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy. In addition, the exercise of any right or remedy of the Holder at law or equity or under this Note or any of the documents shall not be deemed to be an election of Holder's rights or remedies under such documents or at law or equity. The Company covenants to the Holder that there shall be no characterization concerning this instrument other than as expressly provided herein. Amounts set forth or provided for herein with respect to payments, conversion and the like (and the computation thereof) shall be the amounts to be received by the Holder and shall not, except as expressly provided herein, be subject to any other obligation of the Company (or the performance thereof). The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the Holder and that the remedy at law for any such breach may be inadequate. The Company therefore agrees that, in the event of any such breach or threatened breach, the Holder shall be entitled, in addition to all other available remedies, to specific performance and/or temporary, preliminary and permanent injunctive or other equitable relief from any court of competent jurisdiction in any such case without the necessity of proving actual damages and without posting a bond or other security. The Company shall provide all information and documentation to the Holder that is requested by the Holder to enable the Holder to confirm the Company's compliance with the terms and conditions of this Note (including, without limitation, compliance with Section 7).

21. PAYMENT OF COLLECTION, ENFORCEMENT AND OTHER COSTS. If (a) this Note is placed in the hands of an attorney for collection or enforcement or is collected or enforced through any legal proceeding or the Holder otherwise takes action to collect amounts due under this Note and/or any other Transaction Document or to enforce the provisions of this Note and/or any other Transaction Document or (b) there occurs any bankruptcy, reorganization, receivership of the Company or other proceedings affecting Company creditors' rights and involving a claim under this Note, then the Company shall pay the costs incurred by the Holder for such collection, enforcement or action or in connection with such bankruptcy, reorganization, receivership or other proceeding, including, without limitation, attorneys' fees and disbursements. The Company expressly acknowledges and agrees that no amounts due under this Note and/or any other Transaction Document, as applicable, shall be affected, or limited, by the fact that the purchase price paid for this Note was less than the original Principal amount hereof.

22. CONSTRUCTION; HEADINGS. This Note shall be deemed to be jointly drafted by the Company and the initial Holder and shall not be construed against any such Person as the drafter hereof. The headings of this Note are for convenience of reference and shall not form part of, or affect the interpretation of, this Note. Unless the context clearly indicates otherwise, each pronoun herein shall be deemed to include the masculine, feminine, neuter, singular and plural forms thereof. The terms "including," "includes," "include" and words of like import shall be construed broadly as if followed by the words "without limitation." The terms "herein," "hereunder," "hereof" and words of like import refer to this entire Note instead of just the provision in which they are found. Unless expressly indicated otherwise, all section references are to sections of this Note. Terms used in this Note and not otherwise defined herein, but defined in the other Transaction Documents, shall have the meanings ascribed to such terms on the Closing Date in such other Transaction Documents unless otherwise consented to in writing by the Holder.

23. FAILURE OR INDULGENCE NOT WAIVER. No failure or delay on the part of the Holder in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privilege. No waiver shall be effective unless it is in writing and signed by an authorized representative of the waiving party. Notwithstanding the foregoing, nothing contained in this Section 23 shall permit any waiver of any provision of Section 3(d).

24. DISPUTE RESOLUTION.

(a) Submission to Dispute Resolution.

(i) In the case of a dispute relating to a Closing Bid Price, a Closing Sale Price, a Conversion Price, a VWAP or a fair market value or the arithmetic calculation of a Conversion Rate or the applicable Redemption Price (as the case may be) (including, without limitation, a dispute relating to the determination of any of the foregoing), the Company or the Holder (as the case may be) shall submit the dispute to the other party via electronic mail (A) if by the Company, within two (2) Business Days after the occurrence of the circumstances giving rise to such dispute or (B) if by the Holder at any time after the Holder learned of the circumstances giving rise to such dispute. If the Holder and the Company are unable to promptly resolve such dispute relating to such Closing Bid Price, such Closing Sale Price, such Conversion Price, such VWAP or such fair market value, or the arithmetic calculation of such Conversion Rate or such applicable Redemption Price (as the case may be), at any time after the second (2^{nd}) Business Day following such initial notice by the Company or the Holder (as the case may be) of such dispute to the Company or the Holder (as the case may be), then the Holder may, at its sole option, select an independent, reputable investment bank to resolve such dispute.

(ii) The Holder and the Company shall each deliver to such investment bank (A) a copy of the initial dispute submission so delivered in accordance with the first sentence of this Section 24 and (B) written documentation supporting its position with respect to such dispute, in each case, no later than 5:00 p.m. (New York time) by the fifth (5^{th}) Business Day immediately following the date on which the Holder selected such investment bank (the "**Dispute Submission Deadline**") (the documents referred to in the immediately preceding clauses (A) and (B) are collectively referred to herein as the "**Required Dispute Documentation**") (it being understood and agreed that if either the Holder or the Company fails to so deliver all of the Required Dispute Documentation by the Dispute Submission Deadline, then the party who fails to so submit all of the Required Dispute Documentation shall no longer be entitled to (and hereby waives its right to) deliver or submit any written documentation or other support to such investment bank with respect to such dispute and such investment bank shall resolve such dispute based solely on the Required Dispute Documentation that was delivered to such investment bank prior to the Dispute Submission Deadline). Unless otherwise agreed to in writing by both the Company and the Holder or otherwise requested by such investment bank, neither the Company nor the Holder shall be entitled to deliver or submit any written documentation or other support to such investment bank in connection with such dispute (other than the Required Dispute Documentation).

(iii) The Company and the Holder shall cause such investment bank to determine the resolution of such dispute and notify the Company and the Holder of such resolution no later than ten (10) Business Days immediately following the Dispute Submission Deadline. The fees and expenses of such investment bank shall be borne solely by the Company, and such investment bank's resolution of such dispute shall be final and binding upon all parties absent manifest error.

(b) Miscellaneous. The Company expressly acknowledges and agrees that (i) this Section 24 constitutes an agreement to arbitrate between the Company and the Holder (and constitutes an arbitration agreement) under § 7501, et seq. of the New York Civil Practice Law and Rules ("**CPLR**") and that the Holder is authorized to apply for an order to compel arbitration pursuant to CPLR § 7503(a) in order to compel compliance with this Section 24, (ii) the terms of this Note and each other applicable Transaction Document shall serve as the basis for the selected investment bank's resolution of the applicable dispute, such investment bank shall be entitled (and is hereby expressly authorized) to make all findings, determinations and the like that such investment bank determines are required to be made by such investment bank in connection with its resolution of such dispute and in resolving such dispute such investment bank shall apply such findings, determinations and the like to the terms of this Note and any other applicable Transaction Documents, (iii) the Holder (and only the Holder), in its sole discretion, shall have the right to submit any dispute described in this Section 24 to any state or federal court sitting in The City of New York, Borough of Manhattan in lieu of utilizing the procedures set forth in this Section 24 and (iv) nothing in this Section 24 shall limit the Holder from obtaining any injunctive relief or other equitable remedies (including, without limitation, with respect to any matters described in this Section 24).

25. NOTICES; CURRENCY; PAYMENTS.

(a) Notices. Whenever notice is required to be given under this Note, unless otherwise provided herein, such notice shall be given in accordance with Section 5.3 of the Securities Purchase Agreement. The Company shall provide the Holder with prompt written notice of all actions taken pursuant to this Note, including in reasonable detail a description of such action and the reason therefore. Without limiting the generality of the foregoing, the Company will give written notice to the Holder (i) immediately upon any adjustment of the Conversion Price, setting forth in reasonable detail, and certifying, the calculation of such adjustment and (ii) at least fifteen (15) days prior to the date on which the Company closes its books or takes a record (A) with respect to any dividend or distribution upon the shares of Common Stock, (B) with respect to any grant, issuances, or sales of any Options, Convertible Securities or rights to purchase stock, warrants, securities or other property to holders of shares of Common Stock or (C) for determining rights to vote with respect to any Fundamental Transaction, dissolution or liquidation, provided in each case that such information shall be made known to the public prior to or in conjunction with such notice being provided to the Holder.

(b) Currency. All dollar amounts referred to in this Note are in United States Dollars ("**U.S. Dollars**"), and all amounts owing under this Note shall be paid in U.S. Dollars. All amounts denominated in other currencies (if any) shall be converted into the U.S. Dollar equivalent amount in accordance with the Exchange Rate on the date of calculation. "**Exchange Rate**" means, in relation to any amount of currency to be converted into U.S. Dollars pursuant to this Note, the U.S. Dollar exchange rate as published in *The Wall Street Journal* on the relevant date of calculation (it being understood and agreed that where an amount is calculated with reference to, or over, a period of time, the date of calculation shall be the final date of such period of time).

(c) Payments. Whenever any payment of cash is to be made by the Company to any Person pursuant to this Note, unless otherwise expressly set forth herein, such payment shall be made in lawful money of the United States of America by a certified check drawn on the account of the Company and sent via overnight courier service to such Person at such address as previously provided to the Company in writing (which address, in the case of each of the Buyers, shall initially be as set forth on the Schedule of Buyers attached to the Securities Purchase Agreement), provided that the Holder may elect to receive a payment of cash via wire transfer of immediately available funds by providing the Company with prior written notice setting out such request and the Holder's wire transfer instructions. Whenever any amount expressed to be due by the terms of this Note is due on any day which is not a Business Day, the same shall instead be due on the next succeeding day which is a Business Day. Any amount of Outstanding Value of this Note or other amounts due under the Transaction Documents which is not paid when due shall result in a late charge being incurred and payable by the Company in an amount equal to interest on such amount at the rate of eighteen percent (18%) per annum from the date such amount was due until the same is paid in full ("**Late Charge**").

26. CANCELLATION. After all of the Outstanding Value of this Note and other amounts at any time owed on this Note or any other Transaction Documents have been paid in full, this Note shall automatically be deemed canceled, shall be surrendered to the Company for cancellation and shall not be reissued.

27. WAIVER OF NOTICE. To the extent permitted by law, the Company hereby irrevocably waives demand, notice, presentment, protest and all other demands and notices in connection with the delivery, acceptance, performance, default or enforcement of this Note and the Securities Purchase Agreement.

28. GOVERNING LAW. This Note shall be construed and enforced in accordance with, and all questions concerning the construction, validity, interpretation and performance of this Note shall be governed by, the internal laws of the State of New York, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of New York. Except as otherwise required by Section 24 above, the Company hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in The City of New York, Borough of Manhattan, for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. Nothing contained herein (i) shall be deemed or operate to preclude the Holder from bringing suit or taking other legal action against the Company in any other jurisdiction to collect on the Company's obligations to the Holder, or to enforce a judgment or other court ruling in favor of the Holder or (ii) shall limit, or shall be deemed or construed to limit, any provision of Section 24. **THE COMPANY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION WITH OR ARISING OUT OF THIS NOTE OR ANY TRANSACTION CONTEMPLATED HEREBY.**

29. JUDGMENT CURRENCY.

(a) If for the purpose of obtaining or enforcing judgment against the Company in any court in any jurisdiction it becomes necessary to convert into any other currency (such other currency being hereinafter in this Section 29 referred to as the "**Judgment Currency**") an amount due in U.S. dollars under this Note, the conversion shall be made at the Exchange Rate prevailing on the Trading Day immediately preceding:

(i) the date actual payment of the amount due, in the case of any proceeding in the courts of New York or in the courts of any other jurisdiction that will give effect to such conversion being made on such date: or

(ii) the date on which the foreign court determines, in the case of any proceeding in the courts of any other jurisdiction (the date as of which such conversion is made pursuant to this Section 29(a)(ii) being hereinafter referred to as the "**Judgment Conversion Date**").

(b) If in the case of any proceeding in the court of any jurisdiction referred to in Section 29(a)(ii) above, there is a change in the Exchange Rate prevailing between the Judgment Conversion Date and the date of actual payment of the amount due, the applicable party shall pay such adjusted amount as may be necessary to ensure that the amount paid in the Judgment Currency, when converted at the Exchange Rate prevailing on the date of payment, will produce the amount of US dollars which could have been purchased with the amount of Judgment Currency stipulated in the judgment or judicial order at the Exchange Rate prevailing on the Judgment Conversion Date.

(c) Any amount due from the Company under this provision shall be due as a separate debt and shall not be affected by judgment being obtained for any other amounts due under or in respect of this Note.

30. SEVERABILITY. If any provision of this Note is prohibited by law or otherwise determined to be invalid or unenforceable by a court of competent jurisdiction, the provision that would otherwise be prohibited, invalid or unenforceable shall be deemed amended to apply to the broadest extent that it would be valid and enforceable, and the invalidity or unenforceability of such provision shall not affect the validity of the remaining provisions of this Note so long as this Note as so modified continues to express, without material change, the original intentions of the parties as to the subject matter hereof and the prohibited nature, invalidity or unenforceability of the provision(s) in question does not substantially impair the respective expectations or reciprocal obligations of the parties or the practical realization of the benefits that would otherwise be conferred upon the parties. The parties will endeavor in good faith negotiations to replace the prohibited, invalid or unenforceable provision(s) with a valid provision(s), the effect of which comes as close as possible to that of the prohibited, invalid or unenforceable provision(s).

31. MAXIMUM PAYMENTS. Without limiting Section 9(d) of the Securities Purchase Agreement, nothing contained herein shall be deemed to establish or require the payment of a rate of interest or other charges in excess of the maximum permitted by applicable law. In the event that the rate of interest required to be paid or other charges hereunder exceed the maximum permitted by such law, any payments in excess of such maximum shall be credited against amounts owed by the Company to the Holder and thus refunded to the Company.

32. CERTAIN DEFINITIONS. For purposes of this Note, the following terms shall have the following meanings:

(a) "**Affiliate**" means, with respect to any Person, any other Person that directly or indirectly controls, is controlled by, or is under common control with, such Person, it being understood for purposes of this definition that "control" of a Person means the power directly or indirectly either to vote 10% or more of the shares having ordinary voting power for the election of directors of such Person or direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

(b) "**Approved Stock Plan**" means any employee benefit plan which has been approved by the board of directors of the Company prior to or subsequent to the Closing Date pursuant to which shares of Common Stock and standard options to purchase shares of Common Stock may be issued to any employee, officer or director for services provided to the Company in their capacity as such.

(c) "**Attribution Parties**" means, collectively, the following Persons and entities: (i) any investment vehicle, including, any funds, feeder funds or managed accounts, currently, or from time to time after the Issuance Date, directly or indirectly managed or advised by the Holder's investment manager or any of its Affiliates or principals, (ii) any direct or indirect Affiliates of the Holder or any of the foregoing, (iii) any Person acting or who could be deemed to be acting as a Group together with the Holder or any of the foregoing and (iv) any other Persons whose beneficial ownership of the Company's shares of Common Stock would or could be aggregated with the Holder's and the other Attribution Parties for purposes of Section 13(d) of the Exchange Act. For clarity, the purpose of the foregoing is to subject collectively the Holder and all other Attribution Parties to the Maximum Percentage.

(d) "**Bloomberg**" means Bloomberg, L.P.

(e) "**Business Day**" means any day other than Saturday, Sunday or other day on which commercial banks in The City of New York are authorized or required by law to remain closed; provided, however, for clarification, commercial banks shall not be deemed to be authorized or required by law to remain closed due to "stay at home", "shelter-in-place", "non-essential employee" or any other similar orders or restrictions or the closure of any physical branch locations at the direction of any governmental authority so long as the electronic funds transfer systems (including for wire transfers) of commercial banks in The City of New York generally are open for use by customers on such day.

(f) "**Change of Control**" means any Fundamental Transaction other than (i) any merger of the Company or any of its, direct or indirect, wholly-owned Subsidiaries with or into any of the foregoing Persons, (ii) any reorganization, recapitalization or reclassification of the shares of Common Stock in which holders of the Company's voting power immediately prior to such reorganization, recapitalization or reclassification continue after such reorganization, recapitalization or reclassification to hold publicly traded securities and, directly or indirectly, are, in all material respects, the holders of the voting power of the surviving entity (or entities with the authority or voting power to elect the members of the board of directors (or their equivalent if other than a corporation) of such entity or entities) after such reorganization, recapitalization or reclassification, or (iii) pursuant to a migratory merger effected solely for the purpose of changing the jurisdiction of incorporation of the Company or any of its Subsidiaries.

(g) "**Change of Control Redemption Premium**" means 110%.

(h) "**Closing Bid Price**" and "**Closing Sale Price**" means, for any security as of any date, the last closing bid price and last closing trade price, respectively, for such security on the Principal Market, as reported by Bloomberg, or, if the Principal Market begins to operate on an extended hours basis and does not designate the closing bid price or the closing trade price (as the case may be) then the last bid price or last trade price, respectively, of such security prior to 4:00:00 p.m., New York time, as reported by Bloomberg, or, if the Principal Market is not the principal securities exchange or trading market for such security, the last closing bid price or last trade price, respectively, of such security on the principal securities exchange or trading market where such security is listed or traded as reported by Bloomberg, or if the foregoing do not apply, the last closing bid price or last trade price, respectively, of such security in the over-the-counter market on the electronic bulletin board for such security as reported by Bloomberg, or, if no closing bid price or last trade price, respectively, is reported for such security by Bloomberg, the average of the bid prices, or the ask prices, respectively, of any market makers for such security as reported in The Pink Open Market (or a similar organization or agency succeeding to its functions of reporting prices). If the Closing Bid Price or the Closing Sale Price cannot be calculated for a security on a particular date on any of the foregoing bases, the Closing Bid Price or the Closing Sale Price (as the case may be) of such security on such date shall be the fair market value as mutually determined by the Company and the Holder. If the Company and the Holder are unable to agree upon the fair market value of such security, then such dispute shall be resolved in accordance with the procedures in Section 24. All such determinations shall be appropriately adjusted for any stock splits, stock dividends, stock combinations, recapitalizations or other similar transactions during such period.

(i) "**Closing Date**" means the Issuance Date of this Note.

(j) "**Commission**" means the United States Securities and Exchange Commission or the successor thereto.

(k) "**Common Stock**" means the common stock of the Company, par value $0.001 per share, and any other class of securities into which such securities may hereafter be reclassified or changed.

(l) "**Contingent Obligation**" means, as to any Person, any direct or indirect liability, contingent or otherwise, of that Person with respect to any Indebtedness, lease, dividend or other obligation of another Person if the primary purpose or intent of the Person incurring such liability, or the primary effect thereof, is to provide assurance to the obligee of such liability that such liability will be paid or discharged, or that any agreements relating thereto will be complied with, or that the holders of such liability will be protected (in whole or in part) against loss with respect thereto.

(m) "**Convertible Securities**" means any stock or other security (other than Options) that is at any time and under any circumstances, directly or indirectly, convertible into, exercisable or exchangeable for, or which otherwise entitles the holder thereof to acquire, any shares of Common Stock.

(n) "**Eligible Market**" means The New York Stock Exchange, the Nasdaq Capital Market, the Nasdaq Global Select Market, the Nasdaq Global Market or the Principal Market.

(o) "**Exchange Act**" means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder.

(p) "**Excluded Securities**" means (i) shares of Common Stock or standard options to purchase shares of Common Stock issued to directors, officers or employees of the Company for services rendered to the Company in their capacity as such pursuant to an Approved Stock Plan, provided that the aggregate number of shares of Common Stock available for future issuance pursuant to such Approved Stock Plan does not exceed 20% of the Company's issued and outstanding shares of Common Stock on the Closing Date, and provided, further that the exercise price of any such options is not lowered, none of such options are amended to increase the number of shares issuable thereunder and none of the terms or conditions of any such options are otherwise materially changed in any manner that adversely affects any of the Purchasers; (ii) shares of Common Stock issued upon the conversion or exercise of Convertible Securities or Options (other than standard options to purchase shares of Common Stock issued pursuant to an Approved Stock Plan that are covered by clause (i) above) issued prior to the Closing Date, provided that the conversion price of any such Convertible Securities (other than standard options to purchase shares of Common Stock issued pursuant to an Approved Stock Plan that are covered by clause (i) above) is not lowered, none of such Convertible Securities or Options (other than standard options to purchase shares of Common Stock issued pursuant to an Approved Stock Plan that are covered by clause (i) above) are amended to increase the number of shares issuable thereunder and none of the terms or conditions of any such Convertible Securities or Options (other than standard options to purchase shares of Common Stock issued pursuant to an Approved Stock Plan that are covered by clause (i) above) are otherwise materially changed in any manner that adversely affects any of the Buyers; (iii) any shares of Common Stock issuable upon exercise of the Warrants or Notes or (iv) securities issued pursuant to acquisitions or strategic transactions approved by a majority of the disinterested directors of the Company, provided that such securities are issued as "restricted securities" (as defined in Rule 144) and carry no registration rights that require or permit the filing of any registration statement in connection therewith and provided that any such issuance shall only be to a Person (or to the equityholders of a Person) which is, itself or through its subsidiaries, an operating company or an owner of an asset in a business synergistic with the business of the Company and shall provide to the Company additional benefits in addition to the investment of funds, but shall not include a transaction in which the Company is issuing securities primarily for the purpose of raising capital or to an entity whose primary business is investing in securities.

(q) "**Floor Price**" means $0.534 per share, as shall be adjusted in the event of reverse and forward stock splits, stock dividends, stock combinations and other similar transactions of the Common Stock that occur following the Issuance Date.

(r) "**Fundamental Transaction**" means a transaction or series of transactions in which (i) the Company, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another Person and the Company is not the surviving entity (other than a reincorporation in a different state or a similar transaction pursuant to which the surviving company remains a public company), (ii) the Company (or any Subsidiary), directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of the Company's assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Common Stock sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of more than 50% of the outstanding shares of Common Stock or more than 50% of the voting power of the common equity of the Company, (iv) the Company, directly or indirectly, in one or more related transactions (other than a reverse stock split) effects any reclassification, reorganization or recapitalization of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property, or (v) the Company, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off, merger or scheme of arrangement, but excluding a reverse stock split) with another Person or group of Persons whereby such other Person or group acquires more than 50% of the outstanding shares of Common Stock or more than 50% of the voting power of the common equity of the Company, not including shares of Common Stock held by the other person making or party to, or associated or affiliated with the other persons making or party to, such stock or share purchase agreement or other business combination).

(s) "**GAAP**" means accounting principles generally accepted in the United States applied on a consistent basis during the periods involved.

(t) "**Group**" means a "group" as that term is used in Section 13(d) of the Exchange Act and as defined in Rule 13d-5 thereunder.

(u) "**Holder Pro Rata Amount**" means a fraction (i) the numerator of which is the original Principal amount of this Note on the Closing Date and (ii) the denominator of which is the aggregate original principal amount of all Notes issued to the initial purchasers pursuant to the Securities Purchase Agreement on the Closing Date.

(v) "**Indebtedness**" of any Person means, without duplication (A) all indebtedness for borrowed money, (B) all obligations issued, undertaken or assumed as the deferred purchase price of property or services (including, without limitation, "capital leases" in accordance with GAAP) (other than trade payables entered into in the ordinary course of business consistent with past practice that are not more than 30 days past due), (C) all reimbursement or payment obligations with respect to letters of credit, surety bonds and other similar instruments, (D) all obligations evidenced by notes, bonds, debentures or similar instruments, including obligations so evidenced incurred in connection with the acquisition of property, assets or businesses, (E) all indebtedness created or arising under any conditional sale or other title retention agreement, or incurred as financing, in either case with respect to any property or assets acquired with the proceeds of such indebtedness (even though the rights and remedies of the seller or bank under such agreement in the event of default are limited to repossession or sale of such property), (F) all monetary obligations under any leasing or similar arrangement which, in connection with GAAP, consistently applied for the periods covered thereby, is classified as a capital lease, (G) indebtedness incurred pursuant to any merchant cash advance agreement; (H) all indebtedness referred to in clauses (A) through (G) above secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien upon or in any property or assets (including accounts and contract rights) owned by any Person, even though the Person which owns such assets or property has not assumed or become liable for the payment of such indebtedness, and (I) all Contingent Obligations in respect of indebtedness or obligations of others of the kinds referred to in clauses (A) through (I) above. Indebtedness shall not include (i) any debt currently existing on the Issuance Date and any renewals or extension thereof; provided that, such renewals or extensions are made on substantially the same or less favorable terms to the holder thereof, including with respect to amounts owed thereunder, and (ii) any indebtedness between the Company and any Subsidiary as of the Issuance Date.

(w) "**Initial Closing Date**" shall have the meaning set forth in the Securities Purchase Agreement.

(x) "**Interest Date**" means, with respect to any given calendar month, (i) the first Trading Day of the calendar month immediately following the previous Interest Date until the Maturity Date, and (ii) the Maturity Date

(y) "**Interest Rate**" means ten percent (10.0%) per annum, as may be adjusted from time to time in accordance with Section 2.

(z) "**Investment**" means any beneficial ownership (including shares, partnership or limited liability company interests) of or in any Person, or any loan, advance or capital contribution to any Person or the acquisition of all, or substantially all, of the assets of another Person or the purchase of any assets of another Person.

(aa) "**Maturity Date**" shall mean _____, 202__; provided, however, that (i) if a Holder elects to convert some or all of this Note pursuant to Section 3 hereof, and the Conversion Amount would be limited pursuant to Section 3(d) hereunder, the Maturity Date shall automatically be extended until such time as such provision shall not limit the conversion of this Note, and (ii) that the Maturity Date shall be extended, at the option of the Holder, for so long as an Event of Default has occurred and is continuing or any event has occurred and is continuing that, with the passage of time and failure to cure, would result in an Event of Default.

(bb) "**Options**" means any rights, warrants or options to subscribe for or purchase shares of Common Stock or Convertible Securities.

(cc) "**Outstanding Principal Value**" as of any time of determination, means all outstanding Principal of this Note as of such time of determination

(dd) "**Outstanding Value**", as of any time of determination, means the Outstanding Principal Value of this Note, accrued and unpaid Interest and accrued and unpaid Late Charges (as defined in Section 25(c)) on such Outstanding Principal Value, Interest and any other unpaid amounts pursuant to the Transaction Documents, in each case, as of such time of determination.

(ee) "**Parent Entity**" of a Person means an entity that, directly or indirectly, controls the applicable Person and whose common stock or equivalent equity security is quoted or listed on an Eligible Market, or, if there is more than one such Person or Parent Entity, the Person or Parent Entity with the largest public market capitalization as of the date of consummation of the Fundamental Transaction.

(ff) "**Permitted Indebtedness**" means (i) Indebtedness evidenced by this Note and the Other Notes, (ii) Indebtedness secured by Permitted Liens or unsecured but as described in clauses (iv) and (v) of the definition of Permitted Liens, (iii) Indebtedness not to exceed $500,000 outstanding at any time; (iv) purchase money Indebtedness not to exceed $500,000 at any time to finance the purchase of fixed or capital assets, including all capital lease obligations of the Company, which does not exceed the purchase price of the assets funded, (v) Indebtedness outstanding on the Issuance Date; provided that, such Permitted Indebtedness existing on the Issuance Date shall not be amended, modified, refinanced renewed or extended in any manner, and (vi) Indebtedness between the Company and any Subsidiary.

(gg) "**Permitted Liens**" means (i) any Lien for taxes not yet due or delinquent by more than 30 days or being contested in good faith by appropriate proceedings for which adequate reserves have been established in accordance with GAAP, (ii) any statutory Lien arising in the ordinary course of business by operation of law with respect to a liability that is not more than 30 days over due or delinquent, (iii) any Lien created by operation of law, such as materialmen's liens, mechanics' liens and other similar liens, arising in the ordinary course of business with respect to a liability that is not more than 30 days over due or delinquent or that are being contested in good faith by appropriate proceedings, (iv) Liens (A) upon or in any equipment acquired or held by the Company or any of its Subsidiaries to secure the purchase price of such equipment or Indebtedness incurred solely for the purpose of financing the acquisition or lease of such equipment, or (B) existing on such equipment at the time of its acquisition, provided that the Lien is confined solely to the property so acquired and improvements thereon, and the proceeds of such equipment, (v) Liens incurred in connection with the extension, renewal or refinancing of the Indebtedness secured by Liens of the type described in clause (iv) above or any real estate owned by the Company, provided that any extension, renewal or replacement Lien shall be limited to the property encumbered by the existing Lien and the principal amount of the Indebtedness being extended, renewed or refinanced does not increase, (vi) Liens in favor of customs and revenue authorities arising as a matter of law to secure payments of custom duties in connection with the importation of goods, and (vii) Liens arising from judgments, decrees or attachments in circumstances not constituting an Event of Default under Section 4(a)(ix).

(hh) "**Person**" means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization, any other entity or a government or any department or agency thereof.

(ii) "**Principal Market**" means the Nasdaq Capital Market.

(jj) "**Redemption Notices**" means, collectively, the Event of Default Redemption Notices, the Subsequent Placement Optional Redemption Notices, the Change of Control Redemption Notices and each of the foregoing, individually, a "**Redemption Notice**."

(kk) "**Redemption Premium**" means 110%.

(ll) "**Redemption Prices**" means, collectively, Event of Default Redemption Prices, the Change of Control Redemption Prices, the Subsequent Placement Optional Redemption Prices, and each of the foregoing, individually, a "**Redemption Price**."

(mm) "**Registration Rights Agreement**" means that certain registration rights agreement, dated as of the Initial Closing Date, by and among the Company and the initial holders of the Notes.

(nn) "**Registration Statement**" shall have the meaning as set forth in the Registration Rights Agreement.

(oo) "**Related Party Indebtedness**" means, any Indebtedness owed to a related party (as defined in Item 404 of Regulation S-K).

(pp) "**Securities Purchase Agreement**" means that certain securities purchase agreement, dated as of April 30, 2026, by and among the Company and the initial holders of the Notes pursuant to which the Company issued the Notes, as may be amended from time to time.

(qq) "**Subsequent Placement**" means any offering of the Company in which the Company directly or indirectly, offers, sells, grants any option or right to purchase, or otherwise disposes of (or announces any issuance, offer, sale, grant of any option or right to purchase or other dispositions of) any equity security or any equity-linked or related security (including, without limitation, any "equity security" (as that term is defined under Rule 405 promulgated under the Securities Act), any Convertible Securities, any preferred stock or any purchase rights other than an offering of Excluded Securities.

(rr) "**Subsidiaries**" means any Person in which the Company on the Closing Date, directly or indirectly, (i) owns any of the outstanding issued share capital or holds any equity or similar interest of such Person or (ii) controls or operates all or any part of the business, operations or administration of such Person, and all of the foregoing, collectively, "**Current Subsidiaries.**"

(ss) **[Reserved.]**

(tt) "**Successor Entity**" means the Person (or, if so elected by the Holder, the Parent Entity) formed by, resulting from or surviving any Fundamental Transaction or the Person (or, if so elected by the Holder, the Parent Entity) with which such Fundamental Transaction shall have been entered into.

(uu) "**Trading Day**" means, as applicable, (x) with respect to all price or trading volume determinations relating to the shares of Common Stock, any day on which the shares of Common Stock is traded on the Principal Market, or, if the Principal Market is not the principal trading market for the shares of Common Stock, then on the principal securities exchange or securities market on which the shares of Common Stock is then traded, provided that "Trading Day" shall not include any day on which the shares of Common Stock is scheduled to trade on such exchange or market for less than 4.5 hours or any day that the shares of Common Stock is suspended from trading during the final hour of trading on such exchange or market (or if such exchange or market does not designate in advance the closing time of trading on such exchange or market, then during the hour ending at 4:00:00 p.m., New York time) unless such day is otherwise designated as a Trading Day in writing by the Holder or (y) with respect to all determinations other than price determinations relating to the shares of Common Stock, any day on which The New York Stock Exchange (or any successor thereto) is open for trading of securities.

(vv) "**VWAP**" means, for any security as of any date, the dollar volume-weighted average price for such security on the Principal Market (or, if the Principal Market is not the principal trading market for such security, then on the principal securities exchange or securities market on which such security is then traded), during the period beginning at 9:30 a.m., New York time, and ending at 4:00 p.m., New York time, as reported by Bloomberg through its "VAP" function (set to 09:30 start time and 16:00 end time) or, if the foregoing does not apply, the dollar volume-weighted average price of such security in the over-the-counter market on the electronic bulletin board for such security during the period beginning at 9:30 a.m., New York time, and ending at 4:00 p.m., New York time, as reported by Bloomberg, or, if no dollar volume-weighted average price is reported for such security by Bloomberg for such hours, the average of the highest closing bid price and the lowest closing ask price of any of the market makers for such security as reported in The Pink Open Market (or a similar organization or agency succeeding to its functions of reporting prices). If the VWAP cannot be calculated for such security on such date on any of the foregoing bases, the VWAP of such security on such date shall be the fair market value as mutually determined by the Company and the Holder. If the Company and the Holder are unable to agree upon the fair market value of such security, then such dispute shall be resolved in accordance with the procedures in Section 24. All such determinations shall be appropriately adjusted for any stock dividend, stock split, stock combination, recapitalization or other similar transaction during such period.

(ww) "**Warrants**" has the meaning ascribed to such term in the Securities Purchase Agreement, and shall include all warrants issued in exchange therefor or replacement thereof

33. DISCLOSURE. Upon delivery by the Company to the Holder (or receipt by the Company from the Holder) of any notice in accordance with the terms of this Note, unless the Company has in good faith determined that the matters relating to such notice do not constitute material, non-public information relating to the Company or any of its Subsidiaries, the Company shall on or prior to 9:00 am, New York city time on the Business Day immediately following such notice delivery date, publicly disclose such material, non-public information on a Current Report on Form 8-K or otherwise. In the event that the Company believes that a notice contains material, non-public information relating to the Company or any of its Subsidiaries, the Company so shall indicate to the Holder explicitly in writing in such notice (or immediately upon receipt of notice from the Holder, as applicable), and in the absence of any such written indication in such notice (or notification from the Company immediately upon receipt of notice from the Holder), the Holder shall be entitled to presume that information contained in the notice does not constitute material, non-public information relating to the Company or any of its Subsidiaries. Nothing contained in this Section shall limit any obligations of the Company, or any rights of the Holder, under Section 4.7 of the Securities Purchase Agreement.

34. ABSENCE OF TRADING AND DISCLOSURE RESTRICTIONS. The Company acknowledges and agrees that the Holder is not a fiduciary or agent of the Company and that the Holder shall have no obligation to (a) maintain the confidentiality of any information provided by the Company or (b) refrain from trading any securities while in possession of such information in the absence of a written non-disclosure agreement signed by an officer of the Holder that explicitly provides for such confidentiality and trading restrictions. In the absence of such an executed, written non-disclosure agreement, the Company acknowledges that the Holder may freely trade in any securities issued by the Company, may possess and use any information provided by the Company in connection with such trading activity, and may disclose any such information to any third party.

35. CERTAIN TAX MATTERS. All payments to be made by the Company under this Note (whether in cash or in shares of Common Stock) shall be made without any Tax Deduction (as defined below) unless a Tax Deduction is required by law. The Company shall promptly upon becoming aware that it must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Holder accordingly. If a Tax Deduction is required by law to be made by the Company, the amount of the payment due from the Company under this Note shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due under this Note if no Tax Deduction had been required. If the Company is required to make a Tax Deduction, it shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law. Within thirty (30) days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Company shall deliver to the Holder evidence reasonably satisfactory to the Holder that the Tax Deduction has been made and that any appropriate payment has been paid to the relevant taxing authority. For greater certainty, (i) this Section 35 applies to all payments, whether in the form of cash, shares of Common Stock or otherwise, made under this Note, and (ii) the Company is obligated to indemnify the Holder pursuant to this Section 35 in the event that a Tax Deduction is required in respect of any payment to be made to the Holder under this Note and the company and/or its subsidiaries fail to comply with this Section 35. For purposes of this Section 35, "**Tax**" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) and "**Tax Deduction**" means any deduction or withholding for or on account of any Tax.

[*Signature page follows*]

IN WITNESS WHEREOF, the Company has caused this Note to be duly executed as of the Issuance Date set out above.

RENX ENTERPRISES CORP.

By: _____
Name: Nicolai Brune
Title: Chief Financial Officer

EXHIBIT I

RENX ENTERPRISES CORP.
CONVERSION NOTICE

Reference is made to the Senior Convertible Note (the "**Note**") issued to the undersigned by RenX Enterprises Corp., a Delaware corporation (the "**Company**"). In accordance with and pursuant to the Note, the undersigned hereby elects to convert the Conversion Amount (as defined in the Note) of the Note indicated below into shares of common stock, par value $0.001 per share (the "Common Stock"), of the Company, as of the date specified below. Capitalized terms not defined herein shall have the meaning as set forth in the Note.

Date of Conversion: _____

Aggregate Outstanding Principal Value of this Note to be converted: _____

Aggregate accrued and unpaid Interest and accrued and unpaid Late Charges with respect to such portion of the Aggregate Outstanding Principal Value of this Note and such Aggregate Interest to be converted: _____

AGGREGATE CONVERSION AMOUNT TO BE CONVERTED: _____

Please confirm the following information:

Conversion Price: _____

☐ If this Conversion Notice is being delivered with respect to an Alternate Conversion check here if Holder is electing to use the following Alternate Conversion Price: _____

Number of Shares of Common Stock to be issued: _____

_____

_____

Please issue the shares of Common Stock into which the Note is being converted to Holder, or for its benefit, as follows:

☐ Check here if requesting delivery as a certificate to the following name and to the following address:

Issue to: _____

_____

_____

☐ Check here if requesting delivery by Deposit/Withdrawal at Custodian as follows:

DTC Participant: _____

DTC Number: _____

Account Number: _____

Date: _____ __,

_____
Name of Registered Holder

By: _____

Name:
Title:

Tax ID: _____

E-mail Address:

EXHIBIT II

ACKNOWLEDGMENT

The Company hereby (a) acknowledges this Conversion Notice, (b) certifies that the above indicated number of shares of Common Stock [are][are not] eligible to be resold by the Holder either (i) pursuant to Rule 144 (subject to the Holder's execution and delivery to the Company of a customary 144 representation letter) or (ii) an effective and available registration statement and (c) hereby directs _____ to issue the above indicated number of shares of Common Stock in accordance with the Transfer Agent Instructions dated _____, 20__ from the Company and acknowledged and agreed to by _____.

RENX ENTERPRISES CORP.

By: _____
Name:
Title:

Exhibit 4.7

AMENDMENT TO SENIOR CONVERTIBLE NOTE

This Amendment to Senior Convertible Note (this "Amendment") is entered into by and among RenX Enterprises Corp., a Delaware corporation (the "Company"), and _____ (the "Holder"), effective as of November 16, 2026. Reference is made to that Senior Convertible Note, dated _____, 2026 (the "Note"), issued and sold by the Company to the Holder. Terms used herein without definition shall have the meaning assigned such terms in the Note.

WHEREAS, the Holder is making an additional investment in the Company (the "Additional Investment") through the purchase of new senior convertible notes of the Company (the "New Notes");

WHEREAS, the terms of the New Notes contain a cash true-up provision for conversions at a price that would otherwise fall below the floor price set forth therein;

WHEREAS, in order to induce the Holder to make the Additional Investment, the Company has agreed to add a cash true-up provision to the Note; and

WHEREAS, in consideration for the Holder's Additional Investment in the Company, the Company and the Holder have agreed to amend the Note to provide for the payment of a cash true-up for conversions of the Note at a price that would otherwise fall below the Floor Price, as more particularly set forth in this Amendment.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree to amend the Note as follows:

1. Section 3(e)(i) of the Note is hereby amended and restated as follows:

(i) Subject to Sections 3(d), at any time after the later of (i) the date of the receipt of the Stockholder Approval and (ii) 120 calendar days following the Initial Closing Date, provided that, the Stockholder Approval has been received by such date, the Holder may, at the Holder's option, convert (each, an "Alternate Conversion", and the date of such Alternate Conversion, each, an "Alternate Conversion Date") all, or any part of, the Conversion Amount (such portion of the Conversion Amount subject to such Alternate Conversion, each, an "Alternate Conversion Amount") into Common Stock at a conversion price (the "Alternate Conversion Price") equal to the greater of (x) the Floor Price and (y) 92% of the lowest VWAP in the ten (10) Trading Days prior to the applicable Alternate Conversion Date (the "VWAP Price"). Notwithstanding anything to the contrary contained in this Section 3(e), if the Holder elects to convert the Alternate Conversion Amount into shares of Common Stock and the Floor Price is greater than the price determined in accordance with clause (y) above, then in addition to receiving a number of shares of Common Stock equal to the quotient obtained by dividing the Alternate Conversion Amount by the Floor Price, the Company shall also pay to the Holder cash as a true-up (the "Cash True-Up Amount") in an amount equal to the product of (i) any bid price of the Common Stock on the Principal Market (including during any pre-market or after-hours trading session), as reported by Bloomberg, selected by the Holder from within the twenty (20) minutes immediately preceding the delivery of the applicable Conversion Notice (or, if no such bid price is reported during such period, the Closing Bid Price on the most recent Trading Day ended prior to such delivery) (the "True-Up Reference Price") and (ii) the difference obtained by subtracting (I) the number of shares of Common Stock delivered (or to be delivered) to the Holder with respect to such Alternate Conversion from (II) the quotient obtained by dividing (x) the applicable Alternate Conversion Amount by (y) the conversion price calculated pursuant to clause (y) of the definition of Alternate Conversion Price. The Holder shall set forth the True-Up Reference Price, the time at which such bid price was reported, and its calculation of the Cash True-Up Amount in the applicable Conversion Notice. Any Cash True-Up Amount payments to be made pursuant to this Section 3(e) shall be paid by the Company to the Holder within two (2) Business Days after the Alternate Conversion Date; provided that the aggregate amount of Cash True-Up Amount payments paid or payable under this Note shall not exceed the product of (i) 3.0 and (ii) the Original Principal Amount.

2. Section 9(a) of the Note is hereby amended and restated as follows:

(a) General. At any time from and after the earlier of (x) the date the Holder becomes aware of the occurrence of a Subsequent Placement (the "Holder Notice Date") and (y) the time of consummation of a Subsequent Placement (in each case, other than with respect to Excluded Securities) (each, an "Eligible Subsequent Placement"), the Holder shall have the right, in its sole discretion, to require that the Company (i) *initially*, pay any then unpaid and outstanding Cash True Up Amounts in full and (ii) *thereafter*, redeem (each a "Subsequent Placement Optional Redemption") all, or any portion, of the Conversion Amount under this Note not in excess of the Holder's Holder Pro Rata Amount of 30% (to be increased to (A) 50%, in the event any Cash True Up Amount are then unpaid and outstanding and (B) 80%, in the event of any Eligible Subsequent Placement in which the Holder participates as an investor, whether or not any Cash True-Up Amounts are then unpaid and outstanding) of the gross proceeds from all Eligible Subsequent Placements (the "Eligible Subsequent Placement Optional Redemption Amount") by delivering written notice thereof (a "Subsequent Placement Optional Redemption Notice") to the Company. Notwithstanding the foregoing, if the Holder is participating in an Eligible Subsequent Placement, upon the written request of the Holder, the Company shall apply all, or any part, as set forth in such written request, of any amounts that would otherwise be payable to the Holder in such Subsequent Placement Optional Redemption, on a dollar-for-dollar basis, against the purchase price of the securities to be purchased by the Holder in such Eligible Subsequent Placement.

3. The provisions of this Amendment are severable and if any part of it is found to be unenforceable the other paragraphs shall remain fully valid and enforceable

4. Except as specifically modified hereby, all other terms of the Note shall remain in full force and effect. The Note, as amended by this Amendment, constitutes the entire agreement between the parties with respect to the subject matter thereof.

5. This Amendment shall be governed, construed and interpreted in accordance with the laws of the State of New York, without giving effect to principles of conflicts of law.

[*Remainder of page intentionally left blank*]

IN WITNESS WHEREOF, the parties hereto have duly executed this Amendment as of the day and year first below written.

RenX Enterprises Corp.:

_____

By: Nicolai Brune
Title: Chief Financial Officer
Date: November 16, 2026

IN WITNESS WHEREOF, the parties hereto have duly executed this Amendment as of the day and year first below written.

_____:

_____

By:
Name:
Title:
Date: November 16, 2026

[SIGNATURE PAGE TO AMENDMENT TO SENIOR CONVERTIBLE NOTE]

Exhibit 10.6

SECOND AMENDED AND RESTATED TERM PROMISSORY NOTE

Principal Loan Amount: $1,997,780.00 City, State:Chicago, IL

Effective Date:November 6, 2026

FOR VALUE RECEIVED, Zimmer Equipment, Inc., a Florida corporation and Resource Group US LLC, a Florida limited liability company, each with its principal place of business located at 1510 Logue Road, Myakka City, Florida 34105 (“Borrower”), promises to pay to the order of Loeb Term Solutions LLC, an Illinois limited liability company with its principal place of business located at 222 S. Prospect Ave., 3rd Floor, Park Ridge, IL 60068 (“Lender”), the principal sum of ONE MILLION NINE HUNDRED NINETY-SEVEN THOUSAND SEVEN HUNDRED EIGHTY and NO/100 DOLLARS ($1,997,780.00), together with interest from time to time outstanding at the Prime Rate (as defined below) plus six and one-half percent (6.5%) per annum (the “Effective Rate”). Interest shall be computed based on a 365 day year based on a simple interest basis. The Prime Rate shall mean the rate of interest quoted in the Wall Street Journal, Money Rates Section as the “Prime Rate” (currently defined as the base rate on corporate loans posted by at least 75% of the nation’s thirty (30) largest banks). In the event that the Wall Street Journal quotes more than one rate as the Prime Rate, or a range of rates as the Prime Rate, then the Prime Rate shall mean the highest of the quoted rates. In the event that the Wall Street Journal ceases to publish a Prime Rate, then the Prime Rate shall be the average interest rate of the three largest U.S. money center commercial banks, as determined by Lender. The Effective Rate hereunder shall change each time there is a change in the Prime Rate.

The proceeds of this Second Amended and Restated Term Promissory Note (the "Note") shall be used exclusively for business purposes and not for household, family or personal use.

Borrower and all endorsers, sureties, guarantors and any other persons liable or to become liable with respect to the loan (the “Loan”) evidenced by this Note are each included in the term “Obligors” as used in this Note.

This Note is referred to in and was delivered pursuant to a certain Credit and Security Agreement dated September 7, 2023, as amended and restated by the Amended and Restated Credit Agreement dated November 29, 2025, as further amended and restated by the Second Amended and Restated Credit Agreement dated as of the date hereof, and as may be further amended or restated from time to time (the “Security Agreement”). Reference is made to the Security Agreement for additional terms relating to this Note and the security given for this Note. Any capitalized terms used in this Note, if not defined in this Note, will have the meanings assigned to such terms in the Security Agreement.

From and after an event of Default (as defined in the Security Agreement) and while such Default is continuing, and regardless of whether the Lender elects to accelerate the Maturity Date of this Note, the entire principal remaining unpaid hereunder shall bear interest at the rate equal to the Effective Rate plus six percent (6%) per annum.

Borrower understands and agrees that the monthly payments under this Note are based on a five (5) year amortization (the "Amortization Period"), but with a balloon payment of all principal, accrued interest and all other amounts owing hereunder due on the three (3) year Maturity Date (defined below).

Payments of principal and interest under this Note shall be payable in lawful money of the United States when due without set-off, counterclaim, deduction or withholding for any reason whatsoever on the dates and in the amounts specified below:

Payments of principal and interest shall be made in thirty six (36) consecutive monthly payments as follows: thirty five (35) monthly installments of principal and interest on the first day of each month commencing after the Effective Date of this Note, and then the thirty sixth (36^{th}) and final installment due on the first day of the (36^{th}) month after the Effective Date of this Note (the "Maturity Date") of all outstanding principal, accrued interest, fees and all other amounts due hereunder. It is understood and agreed that monthly payments will first be applied to payment of interest, second to late charges and other fees, and the balance, if any, will be applied to the payment of principal. Borrower understands and agrees that the monthly payments will not fully amortize the Loan over a period of three (3) years, and that the final balloon payment will be substantially higher than the regular monthly payments. In addition, in the event that the Prime Rate increases the Lender may require an adjustment in the monthly payments hereunder by utilizing the Effective Rate in effect on such date and the principal amount outstanding on such date such that the monthly payments so calculated would pay off the Note in full by the end of the Amortization Period, and which adjusted amount the Borrower agrees to pay. In the event of such adjustment in the monthly payment, the Amortization Period of the Loan shall not change. The Lender shall provide Borrower with an amortization table in connection with the Loan closing setting forth, among other things, the then current monthly payment amount, and shall timely provide Borrower a revised amortization table when it advises Borrower of a change in the monthly payment amount.

If any payment falls due on a day other than a Business Day, then such payment shall instead be made on the next succeeding Business Day, and interest shall accrue accordingly. Any payment received by Lender after 1:00 p.m. (Central Standard Time) shall not be credited against the indebtedness under this Note until the next succeeding Business Day. "Business Day" means any day excluding Saturday, Sunday, and any day which is a legal holiday under the laws of the State of Illinois or which is a day on which Lender is otherwise closed for transacting business. Borrower shall receive immediate credit on payments only if made in the form of a federal wire transfer of cleared funds.

All payments to the Lender shall either (a) be made via ACH payment pursuant to an Automatic ACH Debit Agreement, or (b) are payable to the Lender at the following bank account, or such other account as may be determined by Lender from time to time:

Wiring Instructions
[_____]

Upon an event of Default or at any time thereafter at the option of Lender all principal, interest and any other amounts remaining unpaid hereunder shall immediately become due and payable and Lender shall be entitled to pursue any and all rights and remedies provided by this Note, the Security Agreement and applicable law.

It is the intent of the parties that any money or other property charged, taken or received as interest, a finance charge or fee for the Loan, shall not exceed the limits (if any) imposed or provided by applicable law, and Lender hereby waives any right to demand such excess. In the event that any money or other property charged, taken or received as interest, a finance charge or a fee under this Note exceeds the maximum interest rate permitted by applicable law, then without further agreement or notice the obligation to be fulfilled shall be automatically reduced to such limit and all sums received by Lender in excess of those lawfully collectible as interest shall be (a) applied against the principal of the Loan with the same force and effect as though the payor had specifically designated such extra sums to be so applied to principal and Lender had agreed to accept such extra payment(s) as a premium-free prepayment or prepayments, and (b) if there are no outstanding obligations under this Note the remaining amount, if any, shall be refunded to Borrower.

The Obligors hereby severally: (a) waive presentment, protest, notice of dishonor, and the filing of any suit against or joinder of any other person; (b) waive any exemption of any property, wherever located, from garnishment, levy, execution, seizure or attachment prior to or in execution of judgment, or sale under execution or other process for the collection of debts; (c) waive any right to plead laches as a defense in any action or proceeding; (d) consent and agree that, at any time and from time to time without notice, Lender and any person(s) then primarily liable for the Loan may agree to renew, extend or compromise the Loan in whole or in part or to modify the terms of the Loan in any respect whatsoever; and (e) agree that until Lender receives all sums due under this Note in immediately available funds, no Obligor shall be released from liability with respect to the Loan unless Lender expressly releases such Obligor in a writing signed by Lender, and Lender's release of any Obligor(s) shall not release any other person liable with respect to the Loan.

This Note shall be governed by, and construed and enforced in accordance with, the laws of the State of Illinois.

Any provision of this Note which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction only, be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

If this Note is signed by more than one person, then the term “Borrower” as used in this Note shall refer to all such persons jointly and severally, and all agreements, covenants, waivers, consents, representations, warranties and other provisions in this Note are made by and shall be binding upon each and every undersigned person, jointly and severally. The term “Lender” shall be deemed to include any subsequent holder(s) of this Note.

This Note cannot be changed or modified orally. Lender shall have the right unilaterally to correct patent errors or omissions. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such separate counterparts shall together constitute but one and the same instrument.

This Note amends and restates that certain Amended and Restated Term Promissory Note dated effective September 7, 2023 from Borrower in favor of Lender (the "Original Note"). This Note does not constitute a novation or extinguishment of the existing indebtedness evidenced by said Original Note and said indebtedness is still outstanding.

IN WITNESS WHEREOF, the Borrower has caused this Note to be executed on the date below but effective as of the date first written above.

Borrower: **Zimmer Equipment, Inc.**

Signature: /s/ Nicolai Brune
Name: Nicolai Brune
Title: Authorized Agent
Date: November 6, 2026

Borrower: **Resource Group US LLC**

Signature: /s/ Nicolai Brune
Name: Nicolai Brune
Title: Authorized Agent
Date: November 6, 2026

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO RULE 13A-14(A) AND 15D-14(A) OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, David Villarreal, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of RenX Enterprises Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 16, 2026

/s/ David Villarreal
David Villarreal
Chairman, Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO RULE 13A-14(A) AND 15D-14(A) OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Nicolai Brune, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of RenX Enterprises Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 16, 2026

/s/ Nicolai Brune
Nicolai Brune
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. §1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of RenX Enterprises Corp. (the "Company") on Form 10-Q for the quarter ended September 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David Villarreal, the Chief Executive Officer of the Company, do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge and belief that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented.

November 16, 2026

/s/ David Villarreal
Name: David Villarreal
Title: Chairman and Chief Executive Officer
(Principal Executive Officer)

This certification accompanies each Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act.

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. §1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of RenX Enterprises Corp. (the "Company") on Form 10-Q for the quarter ended September 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Nicolai Brune, the Chief Financial Officer of the Company, do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge and belief that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented.

November 16, 2026

/s/ Nicolai Brune
Name: Nicolai Brune
Title: Chief Financial Officer
(Principal Financial Officer)

This certification accompanies each Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act.

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.