FORM 5

QUARTERLY LISTING STATEMENT

Name of Listed Issuer: **DeepSpatial Inc.** (the "Issuer").

Trading Symbol: **CSE: DSAI**

This Quarterly Listing Statement must be posted on or before the day on which the Issuer's unaudited interim financial statements are to be filed under the *Securities* Act, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer's first, second and third fiscal quarters. This statement is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

General Instructions

(a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.

(b) The term "Issuer" includes the Listed Issuer and any of its subsidiaries.

(c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be **attached**.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

1. Related party transactions

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

(a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.
(b) A description of the transaction(s), including those for which no amount has been recorded.
(c) The recorded amount of the transactions classified by financial statement category.
(d) The amounts due to or from Related Persons and the terms and conditions relating thereto.
(e) Contractual obligations with Related Persons, separate from other contractual obligations.
(f) Contingencies involving Related Persons, separate from other contingencies.

All related party transactions (if any) have been disclosed in the Issuer's financial statements for the three and six months ended December 31, 2025.

2. Summary of securities issued and options granted during the period.

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

(a) summary of securities issued during the period,

All securities issued, and options granted by the Issuer have been disclosed in the Issuer's financial statement notes for the three and six months ended December 31, 2025.

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid

(b) summary of options granted during the period,

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant

All securities issued, and options granted by the Issuer, have been disclosed in the issuer's financial statement notes for the three and six months ended December 31, 2025.

3. Summary of securities as at the end of the reporting period.

Provide the following information in tabular format as at the end of the reporting period:

(a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,

(b) number and recorded value for shares issued and outstanding,

(c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

(d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

A summary of securities as at the end of the reporting period has been provided in the financial statements for the three and six months ended December 31, 2025.

4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

Name of Officer/Director	Positions Held
Rahul Kushwah	CEO and Director
Sheldon Kales	Chairman and Director
Rakesh Malhotra	CFO and Corporate Secretary
David Goodman	Director
David Yu	Director

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

Provide Interim MD&A if required by applicable securities legislation.

The Management's Discussion and Analysis of the Issuer for the three and six months ended December 31, 2025 is attached.

[Remainder of page left blank; Signature page follows]

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.

2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.

3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).

4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated: **October 28, 2026.**

Dr. Rahul Kushwah
Name of Director or Senior Officer

/s/ "Rahul Kushwah"
Signature

Chief Executive Officer
Official Capacity

Issuer Details **Deepspatial Inc.**	*For Quarter Ended* **December 31, 2025**	Date of Report (Y/M/D) **2026/10/28**
Issuer Address **2400 – 40 King Street West**		
City/Province/Postal Code **Toronto, Ontario M5H 3Y3**	*Issuer Fax No.* **N/A**	*Issuer Telephone No.* **(647) 889-6916**
Contact Name **Dr. Rahul Kushwah**	*Contact Position* **Chief Executive Officer**	*Contact Telephone No.* **(647) 889-6916**
Contact Email Address **rahul.kushwahphd@gmail.com**	*Web Site Address* **https://www.deepspatial.ai/**	

SCHEDULE "A"

INTERIM FINANCIAL STATEMENTS

DEEPSPATIAL INC.

Condensed interim consolidated financial statements

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

(Unaudited - expressed in Canadian Dollars)

NOTICE TO READER

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

The accompanying unaudited consolidated interim financial statements have been prepared by and are the responsibility of the management.

The Company's independent auditor has not performed a review of these consolidated interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

DEEPSPATIAL INC.
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
THREE AND SIX MONTHS ENDED DECEMBER 31, 2025 AND 2024
(Unaudited - Amounts expressed in Canadian Dollars)

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DeepSpatial Inc. (formerly, Aylen Capital Inc.)

Interim Consolidated Statements of Financial Position
(Unaudited- expressed in Canadian dollars)

ASSETS		**December 31, 2025**		June 30, 2025
CURRENT				
Cash and cash equivalents	$	72,110	$	72,552
Accounts receivable (Note 4)		34,375		47,453
Contract asset (Note 4)		979,135		459,537
Prepaid expenses		147,914		63,087
Sales tax receivable		124,495		89,687
		1,358,029		732,316
Intangible assets (Note 5)		-		-
TOTAL ASSETS	**$**	**1,358,029**	$	**732,316**
LIABILITIES AND SHAREHOLDERS' EQUITY				
LIABILITIES				
CURRENT				
Accounts payable and accrued liabilities (Note 7)	$	1,167,042	$	1,042,620
Contract liabilities (Note 4)		1,116,038		219,546
Loans (Note 11)		164,585		87,038
Due to related party (Note 7)		25,000		-
Income tax payable		123,059		87,108
Debentures (Note 13)		180,990		193,249
TOTAL LIABILITIES		2,776,714		1,629,561
SHAREHOLDERS' EQUITY (DEFICIENCY)				
Share capital (Note 6)		6,411,261		6,411,261
Contributed surplus		751,323		751,323
Share based compensation reserve		836,131		836,131
Warrant reserve		486,685		486,685
Accumulated other comprehensive gain (loss)		(7,220)		(13,597)
Accumulated deficit		(9,896,865)		(9,369,048)
TOTAL SHAREHOLDERS' EQUITY (DEFICIENCY)		(1,418,685)		(897,245)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)	**$**	**1,358,029**	$	**732,316**

Organization and nature of operations (Note 1)
Basis of presentation and going concern (Note 2)
Contingencies (Note 14)
Subsequent events (Note 15)

Approved on behalf of the Board of Directors:

/s/ "Rahul Kushwah"
Rahul Kushwah, CEO and Director

/s/ "Sheldon Kales"
Sheldon Kales, Director

DeepSpatial Inc. (formerly, Aylen Capital Inc.)
Interim Consolidated Statements of Loss and Comprehensive Loss
(Unaudited- expressed in Canadian dollars)

	Three months ended Dec. 31, 2025	Three months ended Dec. 31, 2024	Six months ended Dec. 31, 2025	Six months ended Dec. 31, 2024
	$	$	$	$
Revenue (Note 4)	**373,549**	**209,404**	**654,504**	**649,419**
Direct costs	215,107	86,445	450,504	277,234
Gross profit	**158,442**	**122,959**	**204,000**	**372,185**
Expenses:				
Audit and accounting	26,820	26,250	26,820	26,250
Consulting fees	55,829	33,688	104,620	64,171
Interest expense (Notes 11 and 13)	8,610	2,677	15,610	8,048
Interest accretion (Note 13)	–	1,682	–	5,128
Legal fees	–	5,000	–	6,900
Management fees (Note 7)	62,400	56,400	124,800	142,800
Marketing expenses (Note 7)	–	15,000	–	30,000
Office and miscellaneous	99,796	85,283	212,832	154,730
Payroll expenses	96,677	49,505	164,444	80,736
Research and development	–	4,955	–	19,553
Share based payments—restricted share units (Note 10(b))	–	53	–	328
Transfer agent and regulatory fees	48,969	10,370	57,942	20,531
Travel, entertainment, and related	11,496	11,973	18,749	13,926
Vehicle use expenses (Note 7)	3,000	3,000	6,000	6,000
Total expenses	**413,597**	**305,836**	**731,817**	**579,101**
Loss before income taxes	**(255,155)**	**(182,877)**	**(527,817)**	**(206,916)**
Income tax expense	–	–	–	(17,560)
Net loss for the period	**(255,155)**	**(182,877)**	**(527,817)**	**(224,476)**
Loss per share—basic and diluted	**(0.0025)**	**(0.0018)**	**(0.0052)**	**(0.0022)**
Weighted average shares—basic and diluted	102,422,171	102,422,171	102,422,171	102,422,171
Net loss for the period	**(255,155)**	**(182,877)**	**(527,817)**	**(224,476)**
Currency translation adjustment	1,372	(2,586)	6,377	(1,704)
Comprehensive loss for the period	**(253,783)**	**(185,463)**	**(521,440)**	**(226,180)**

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

DeepSpatial Inc. (formerly, Aylen Capital Inc.)
Interim Statement of Changes in Shareholders' Equity
(Unaudited- expressed in Canadian dollars)

	Number of common shares outstanding	Share capital	Contributed surplus	Share- based compensation reserve	Warrant reserve	Accumulated Deficit	Accumulated other comprehensive loss	Total
Balance as at June 30, 2024	102,422,171	$ 6,411,261	$ 751,323	$ 835,803	$ 486,685	$ (9,262,093)	$ (480)	$ (777,501)
Share based payments- restricted share units	-	-	-	328	-	-		328
Net loss and comprehensive loss for the period	-	-	-	-	-	(224,476)	(1,704)	(226,180)
Balance as at December 31, 2024	102,422,171	$ 6,411,261	751,323	$ 836,131	$ 486,685	$ (9,486,569)	(2,184)	$ (1,003,353)
Balance as at June 30, 2025	102,422,171	$ 6,411,261	$ 751,323	$ 836,131	$ 486,685	$ (9,369,048)	$ (13,597)	$ (897,245)
Net loss and comprehensive loss for the period	-	-	-	-	-	(527,817)	6,377	(521,440)
Balance as at December 31, 2025	102,422,171	$ 6,411,261	751,323	$ 836,131	$ 486,685	$ (9,896,865)	(7,220)	$ (1,418,685)

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

DeepSpatial Inc. (formerly, Aylen Capital Inc.)

Interim Statements of Cash Flows
(Unaudited- expressed in Canadian dollars)

		For the six months ended December 31, 2025		For the six months ended December 31, 2024
OPERATING ACTIVITIES				
Net loss	**$**	**(527,817)**	$	(224,476)
Non-cash items included in net loss and other adjustments:				
Interest accretion (Note 13)		**-**		5,128
Share based payments-restricted share units		**-**		328
Interest accrued on CEBA loan		**1,000**		1,000
Changes in non-cash working capital:				
Sales tax receivable		**(34,808)**		(28,962)
Accounts receivable		**13,078**		-
Contract asset		**(519,598)**		(491,490)
Contract liabilities		**896,492**		184,843
Prepaid expenses		**(84,827)**		(15,104)
Income tax payable		**35,951**		(20,118)
Accounts payable and accrued liabilities		**124,422**		289,676
CASH USED IN OPERATING ACTIVITIES		**(96,107)**		(299,175)
FINANCING ACTIVITIES				
Repayment of debentures (Note 13)		**(12,259)**		-
Due to related party		**25,000**		-
Due from related party		**-**		(700)
Loans received (Note 11)		**78,667**		69,904
CASH PROVIDED BY FINANCING ACTIVITIES		**91,408**		69,204
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES		**4,257**		(1,704)
NET CHANGE IN CASH DURING THE PERIOD		**(442)**		(231,675)
CASH, BEGINNING OF PERIOD		**72,552**		232,298
CASH, END OF PERIOD	**$**	**72,110**	$	623

Cash paid for income taxes during the six months ended December 31, 2025 was $- (2024: $37,678).

Non-cash investing and financing transactions: there were no non-cash investing and financing transactions during the six months ended December 31, 2025 and 2024.

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

1. Organization and Nature of Operations

Aylen Capital Inc. ("Aylen") was incorporated on October 28, 2010 under the Canada Business Corporations Act.

Aylen completed a triangular amalgamation (the "Transaction") pursuant to the terms of an acquisition agreement dated September 2, 2020 among Aylen, Loc8 Corp., 2774951 Ontario Limited, John Pennal and Grapevine Analytics Inc. The Transaction was completed on December 22, 2020.

The Transaction involved: (i) the acquisition of all of the issued and outstanding securities of Loc8 Corp. (now called DeepSpatial (Ontario) Inc.) ("Loc8") by way of a triangular amalgamation, pursuant to which, 2774951 Ontario Limited (a wholly owned subsidiary of Aylen) amalgamated with Loc8 (the "Acquisition"); (ii) the sale of Grapevine Analytics Inc. to RDH Inc.; and (iii) immediately prior to completion of the Acquisition, the consolidation of the common shares of Aylen on a one (1) new share for four (4) old share basis (the "Consolidation") resulting in 4,660,509 post Consolidation common shares.

Pursuant to the Acquisition, each shareholder of Loc8 received one (1) post-Consolidation common share for each Loc8 share held, resulting in the issuance of 87,794,000 post-Consolidation common shares to the shareholders of Loc8. Following the completion of the Transaction, Aylen had a total of 92,454,509 common shares outstanding. Aylen issued an additional 700,000 common shares as finder's fee in connection with the completion of the Transaction. The finder's shares were issued in January 2021.

At completion of the Transaction, Aylen changed its name to DeepSpatial Inc. (the "Company").

On March 26, 2022, the Company incorporated a subsidiary in India as DeepSpatial Asia Private Limited.

The Company leverages Artificial Intelligence to create robust intelligence solutions for transforming data into business outcomes for enterprises. At the same time, the company uses a similar approach to providing actionable insights for education, healthcare and agriculture

The Company's corporate head office is located at 40 King Street W, Suite 2400, Toronto, Ontario, Canada, M5H 3Y2.

The Company's shares are listed on the Canadian Securities Exchange ("CSE") under the symbol DSAI. Effective September 27, 2021, the Company's common shares started trading on the OTCQB Venture Market under the symbol DSAIF.

The Board of Directors of the Company authorized these condensed interim consolidated financial statements for issuance on October 28, 2026.

2. Basis of Presentation and Going Concern

Basis of Preparation

These condensed interim consolidated financial statements have been prepared on the historical cost basis except for financial instruments recorded at fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The functional currency of the Company and its Canadian subsidiary is the Canadian dollar. The functional currency of the Company's Indian subsidiary is the Indian Rupee. These condensed interim consolidated financial statements are presented in Canadian dollars, which is the Company's presentation currency.

2. Basis of Presentation and Going Concern (Cont'd)

Basis of Consolidation

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly and indirectly, to govern the financial and operating polices of an entity and be exposed to the variable returns from its activities. The financial statements of the Company's subsidiaries are included in the interim consolidated financial statements from the date that control commences until the date that control ceases. These interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries DeepSpatial (Ontario) Inc. and DeepSpatial Asia Private Limited. All inter-company transactions and balances have been eliminated on consolidation.

Statement of Compliance

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting, using accounting policies consistent with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). They do not include all of the information required for annual financial statements and should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended June 30, 2025.

Going Concern Assumption

These interim financial statements have been prepared on a going concern basis. As at December 31, 2025, the Company had cash of $72,110 (June 30, 2025: $72,552), a working capital deficiency of $1,418,685 (June 30, 2025: $897,245) and an accumulated deficit of $9,896,865 (June 30, 2025: $9,369,048). The Company incurred a net loss of $527,817 and used $96,107 in operating activities during the six-month period. These conditions indicate a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. The Company requires additional financing or cash flows from operations to meet obligations as they fall due. There can be no assurance that financing will be available when required. No adjustments have been made to asset and liability amounts and classifications that might be necessary if the Company were unable to continue as a going concern.

Significant Accounting Judgments and Estimates

The preparation of these consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, liabilities, shareholders' equity, and the disclosure of contingent assets and liabilities, as at the date of the financial statements, and expenses for the period reported.

Critical Judgements

The preparation of these consolidated financial statements requires management to make judgements regarding the going concern of the Company (discussed above), as well as the determination of functional currency. The functional currency is the currency of the primary economic environment in which an entity operates. The functional currency for the Company and its Canadian subsidiary has been determined to be the Canadian dollar. The functional currency for the subsidiary incorporated in India has been determined to be Indian Rupees.

2. Basis of Presentation and Going Concern (Cont'd)

Key Sources of Estimation Uncertainty

Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates and such differences could be significant.

Significant estimates made by management affecting the financial statements include:

Revenue recognition

Contract revenue relating to performance obligations satisfied over time is recognized using a percentage-of-completion approach. Contract revenue, contract assets, contract liabilities, and contract costs are determined based on management estimates and judgments used to measure progress toward completion of contracts. Progress toward completion is measured by comparing actual costs incurred to date with total estimated costs for the contract. In determining total estimated costs, management applies judgment and assumptions related to, among other factors, project schedules, material and labour costs, and changes in contract scope. Changes in estimates could impact the amount and timing of revenue recognized, as well as related contract assets and contract liabilities.

Revenue is recognized only when it is probable that the Company will collect the consideration to which it expects to be entitled. For contracts where collectability is not considered probable, no revenue or contract asset is recognized until such time as collectability becomes probable.

Deferred tax assets & liabilities

The estimation of income taxes includes evaluating the recoverability of deferred tax assets and liabilities based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets and liabilities will not be realized. The ultimate realization of deferred tax assets and liabilities is dependent upon the generation of future taxable income. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets or liabilities, and deferred income tax provisions or recoveries could be affected.

Useful life of intangible assets

The intangible asset is depreciated over its estimated useful life. Estimated useful lives are determined based on current facts and past experience and takes into consideration the anticipated life of the asset, the potential for technological obsolescence, and regulations.

Share-based Payments

Estimating fair value for granted stock options and warrants requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option or warrant, volatility, dividend yield, and rate of forfeitures and making assumptions about them.

2. Basis of Presentation and Going Concern (Cont'd)

Impairment

The Company applies judgment to assess whether there are any indications that the carrying value of its intangible assets, including trademarks and incorporation costs, may be impaired. Intangible assets are tested for impairment whenever there is an indication that their carrying value may exceed their recoverable amount. Additionally, intangible assets with indefinite useful lives, such as trademarks, are tested for impairment at least annually.

The recoverable amount of these intangible assets is determined based on the higher of fair value less costs to sell and value in use ("VIU"). Estimating the recoverable amount involves making assumptions about future cash flows, projected revenues, operating results, and other factors such as discount rates and margins. These estimates may change over time due to market conditions or business strategies.

The impairment test ensures that intangible assets are not carried at more than their recoverable amount, reflecting the Company's judgment about whether the expected future economic benefits from the asset remain intact.

Provisions

The Company recognizes provisions if there is a present obligation as a result of a past event, it is probable that the Company will be required to settle the obligation and the obligation can be reliably estimated. The amount recognized as a provision reflects management's best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

Convertible debentures

The Company makes estimates and assumptions relating to the fair value measurement and disclosure of its convertible debentures. The fair values are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, management's judgment is required to establish fair values.

Financial instruments

Financial assets and liabilities, with the exception of accounts receivable and contract asset that does not have a significant financing component, are initially recognized at fair value plus or minus directly attributable transaction costs as appropriate, except for financial assets at fair value through profit or loss, for which transaction costs are expensed. The determination of fair value requires the Company to make assumptions, estimates and judgments regarding approach, effective interest rate, impairment, and foreign exchange rates. As a result, the fair value impacts the Company's reported assets and liabilities.

Shares issued for non-cash consideration

The Company measures equity-settled share-based payment transactions based on an estimate of the fair value of goods or services received, unless that fair value cannot be estimated reliably, in which case the Company measures the fair value of the goods or services received based on the fair value of the equity instruments granted.

3. Material Accounting Policies

The accounting policies set out in the audited annual consolidated financial statements for the year ended June 30, 2025 have been applied consistently to all periods presented in these condensed interim consolidated financial statements.

Amendments to IAS 21, The Effects of Changes in Foreign Exchange Rates (Lack of Exchangeability), are effective for annual reporting periods beginning on or after January 1, 2025 and were adopted by the Company on July 1, 2025. The adoption did not have a material impact on these condensed interim consolidated financial statements.

IFRS 18, Presentation and Disclosure in Financial Statements, is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements. The Company has not yet adopted this standard and is currently assessing the potential impact on its future financial statements.

4. Revenue

	2025	2024
Revenue from contracts	654,504	649,419
Total revenue from contract with customers	**654,504**	**649,419**

	2025	2024
Geographical markets		
India	654,504	649,419
Canada	-	-
Total revenue from contracts with customers	**654,504**	**649,419**

For the six months ended December 31, 2025, one customer made up 100% of the Company's total revenue. As at December 31, 2025, the Company recognized contract assets of $979,135 (June 30, 2025: $459,537), contract liabilities of $1,116,038 (June 30, 2025: $219,546) and accounts receivable of $34,375 (June 30, 2025: $47,453).

5. Intangible assets

On September 9, 2019, the Company issued 63,450,000 common shares with a fair value price of $0.0338 per common share for a total fair value consideration of $2,145,000, issued to Algo8 AI Private Limited, a Company incorporated in India and its associates including their designates, being the purchase and assignment of Intellectual Property comprising of development and creation of the work product related to geospatial artificial intelligence for enterprises. The issuance of shares is being recorded as an asset acquisition. This intellectual property amount of $2,145,000 is estimated to have a useful life of 7 years and was being amortized on a straight-line basis.

		Intellectual Property
Cost:		
Balance as at June 30, 2024	$	2,145,000
Additions		-
Balance as at June 30, 2025	**$**	**2,145,000**
Additions		-
Balance as at December 31, 2025	**$**	**2,145,000**
Accumulated amortization:		
Balance as at June 30, 2024	$	2,145,000
Amortization		-
Balance as at June 30, 2025	**$**	**2,145,000**
Amortization		-
Balance as at December 31, 2025	**$**	**2,145,000**
Net book value:		
At December 31, 2025	$	**-**
At June 30, 2025	$	**-**

During the year ended June 30, 2024, the intangible assets were fully impaired to a net book value of $nil following the cancellation of the related common shares (Note 14).

6. Capital Stock

The Company is authorized to issue the following shares:

- Unlimited number of common shares and an unlimited number of preferred shares issuable in series

a) Common shares

The holders of common shares are entitled to receive dividends which are declared from time to time and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

At December 31, 2025 the Company has 102,422,171 (June 30, 2025: 102,422,171) common shares issued and outstanding.

b) Share issuance

During the six-month period ended December 31, 2025

The Company did not issue any shares during the six months ended December 31, 2025.

During the year ended June 30, 2025

The Company did not issue or cancel any common shares during the year ended June 30, 2025.

c) Warrants

No warrants were issued during the six months ended December 31, 2025 or the year ended June 30, 2025. During the six months ended December 31, 2025, all 24,272,665 warrants outstanding at June 30, 2025 expired unexercised: 12,870,000 on September 13, 2025, 150,000 on September 15, 2025, 6,000,000 on October 6, 2025, 333,333 on November 17, 2025 and 4,919,332 on December 4, 2025.

6. Capital Stock (Cont'd)

c) Warrants (Cont'd)

Continuity of the Company's warrants is as follows:

	Number of Warrants	Weighted Average Exercise Price
Outstanding, June 30, 2024 and June 30, 2025	**24,272,665**	**$0.11**
Expired	(24,272,665)	$0.11
Outstanding, December 31, 2025	**-**	**-**

As at December 31, 2025, the Company had no warrants outstanding.

7. Related Party Transactions

Related parties include key management personnel, the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Key management of the Company are members of the Board of Directors, the Executive Chairman, the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"). Transactions with key management personnel not disclosed elsewhere in the financial statements include the following:

		December 31, 2025		December 31, 2024
Management fees expensed to directors and officers	$	124,800	$	142,800
Vehicle expenses		6,000		6,000
	$	130,800	$	148,800

At December 31, 2025, there was $573,853 (June 30, 2025: $450,648) due to related parties in accounts payable and accrued liabilities.

As at December 31, 2025, an amount of $25,000 (June 30, 2025: $nil) was due to a company related by common directors. This amount is free of interest, carries no repayment terms and is due on demand.

8. Financial Instruments

The fair value of the Company's accounts payable approximates carrying value, due to its short-term nature. The Company's cash is measured at fair value under the fair value hierarchy based on level one quoted prices in active markets for identical assets or liabilities.

Financial risk management and objectives

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, and market risk (including interest rate risk, foreign currency risk, and commodity price risk).

The Company thoroughly examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. Where material, these risks are reviewed and monitored by the Board of Directors.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's accounts receivable as of December 31, 2025 is $34,375 (June 30, 2025: $47,453) and contract assets are $979,135 (June 30, 2025: $459,537).

8. Financial Instruments (Cont'd)

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flows primarily from its financing activities.

The Company manages its liquidity needs by carefully monitoring scheduled costs. Liquidity is measured in various time bands, on day to day and week-to-week basis, as well as on long term liquidity needs over 180 days to 360 days look out periods. Funding for long-term liquidity needs is based on the ability of the Company to successfully complete private placements.

As at December 31, 2025, the Company had cash of $72,110 and current liabilities of $2,776,714, including debentures of $180,990. The Company's ability to continue as a going concern depends on obtaining financing and generating sufficient operating cash flows.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, commodity and equity prices, and foreign exchange rates.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

(b) Price risk

The Company is not exposed to significant price risk as it does not possess investments in publicly traded securities.

(c) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument denominated in a foreign currency will fluctuate because of changes in foreign exchange rates.

The Company's Indian subsidiary and Canadian subsidiaries transactions are in Indian Rupees ("INR") and Canadian dollars, respectively. The results of the Company's operations are subject to currency translation risk. The Company mitigates foreign exchange risk through forecasting its foreign currency denominated expenditures and maintaining an appropriate balance of cash in each currency to meet the expenditures.

As at December 31, 2025, a reasonably possible 10% fluctuation in the INR/CAD exchange rate would not have a material impact on the Company's net loss and comprehensive loss.

9. Capital Management

The Company considers its capital to be shareholders' equity, which is comprised of share capital and deficit, which as at December 31, 2025 was a deficit of $1,418,685. The Company's capital structure is adjusted based on the funds available to the Company such that it may continue to seek new opportunities. The Board of Directors does not establish quantitative return on capital criteria, but rather relies on the expertise of management and other professionals to sustain future development of the business.

The sources of future funds presently available to the Company are through the sale of equity capital of the Company. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing, if needed, on terms satisfactory to the Company.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital restrictions. There were no changes to the Company's management of capital during the period.

10. (a) Stock options

Effective November 1, 2021, the Company's existing stock option plan was replaced by an equity incentive plan called the Omnibus equity incentive plan. The number of common shares of the Company issuable pursuant to options under the Omnibus Equity Incentive Plan is set at 10% of the aggregate number of common shares of the Corporation issued and outstanding from time to time, subject to any limitations imposed by applicable regulations, laws, rules and policies. Upon valid exercise of the stock options granted under the Omnibus Equity Incentive Plan and payment of the exercise price for the common shares of the Company issuable in connection therewith, such common shares shall be issued as fully paid and non- assessable common shares in the capital of the Company.

Six-month period ended December 31, 2025

No stock options were issued during the six-month period ended December 31, 2025.

Year ended June 30, 2025

No stock options were issued during the year ended June 30, 2025.

Continuity of the Company's options is as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding June 30, 2023	9,400,000	$0.13
Expired during the year	(9,400,000)	-
Outstanding June 30, 2024	-	-
Granted during the year	-	-
Outstanding, June 30, 2025 and December 31, 2025	-	-

10. (b) Restricted Share Units ("RSU")

The Company adopted the equity incentive plan called the Omnibus equity incentive plan. The number of common shares of the Company issuable pursuant to restricted share units and deferred share units under the Omnibus Equity Incentive Plan be set at 10% of the aggregate number of common shares of the Corporation issued and outstanding from time to time, subject to any limitations imposed by applicable regulations, laws, rules and policies. Upon vesting of the RSU or deferred share units granted under plan in accordance with the terms thereof, the underlying common shares shall be issued as fully paid and non-assessable common shares in the capital of the Company. 956,000 Common Shares in the capital of the Corporation are reserved and set aside for issuance in satisfaction of vested RSUs, subject to the terms of the Plan.

RSUs are measured at fair value on the date of grant and are recognized as share-based compensation expense on a straight-line basis over the vesting period. The corresponding amount is recorded to the share-based compensation reserve. Upon the exercise of RSUs, the related share-based compensation reserve is transferred to share capital. During the six-month period ended December 31, 2025, the Company did not grant any RSU's. The Company expensed $nil (December 31, 2024: $328) being share based payments-restricted share unit expense on the vesting of the units.

	December 31, 2025	December 31, 2024
RSUs outstanding, beginning of six-month period	202,668	202,668
Granted	-	-
Settled	-	-
RSUs outstanding, end of period	202,668	202,668

11. Loans

In connection to the outbreak of COVID-19, Aylen had received, prior to the reverse merger, $40,000 in Canada Emergency Business Account ("CEBA") loans from the government of Canada. These CEBA loans are non-interest bearing if repaid by January 18, 2024. The loan can be extended to December 31, 2026 and 25% will be forgiven if the principal is repaid before the maturity date of January 18, 2024. Aylen had recognized the forgiveness of $10,000 prior to the reverse merger on December 22, 2020 and the funds and debt of $30,000 was transferred to the Company post-acquisition. As at March 31, 2024, the Company has not made payment on the CEBA loans for which the Company is now obligated to repay the principal of $40,000. The Company has accrued interest of $1,000 for the six-month period ended December 31, 2025 (December 31, 2024: $1,000). The CEBA loan balance, including accrued interest, was $43,900 at December 31, 2025 (June 30, 2025: $42,900).

The Indian subsidiary also has an unsecured loan of $120,685 (June 30, 2025: $44,138), which is due on demand and carries interest at 10% per annum. During the six months ended December 31, 2025, the subsidiary received additional loan proceeds of $78,667, and the balance also reflects foreign exchange translation. Interest expense on this loan for the six months ended December 31, 2025 was $1,610. Total loans were $164,585 at December 31, 2025 (June 30, 2025: $87,038).

12. Segment Information

The Company has a single reportable segment. The Company leverages Artificial Intelligence to create robust location intelligence solutions for transforming existing location data into business outcomes.

As of December 31, 2025, all assets of the business are located in Canada except for cash of $67,013 (June 30, 2025: $47,023), contract asset of $979,135 (June 30, 2025: $459,537), accounts receivable of $34,375 (June 30, 2025: $47,453), sales tax receivable of $17,501 (June 30, 2025: $nil) and prepaid expenses of $147,914 (June 30, 2025: $63,087) which are located in India.

13. Debentures

The Company closed the first tranche of its issuance of unsecured convertible debentures on October 27, 2022, for a total consideration of $572,500. The Company closed the final tranche of its issuance of unsecured convertible debentures on March 24, 2023, for a total consideration of $102,750. These Convertible Debentures mature on the date which is two (2) years from the Closing Date (the "Maturity Date"). The Company shall have a right to prepay or redeem a part or the entire principal amount of the Convertible Debentures at par plus accrued and unpaid interest at any time by providing a minimum of 30 days and a maximum 60 days' notice prior to the date fixed for redemption (the "Redemption Date"). The Convertible Debentures bear interest at a rate of 10% per annum from the date of issue and payable on the earlier of the following: (i) conversion of the Convertible Debentures, (ii) the Redemption Date, and (iii) the Maturity Date.

Each Convertible Debenture will be convertible into Units at the option of the holder at any time prior to the close of the third business day prior to the earlier of: (i) the Maturity Date, and (ii) the Redemption Date, at a conversion price of per Unit equal to $0.15. Unsecured debentures convertible are convertible into units (“Units”) each consisting of one common share (the "Common Shares") of the Company and one-half warrant (the “Warrants”) to purchase Common Shares of the Company (the "Convertible Debentures"). Each warrant is exercisable into one Common Share at a price of $0.30 per warrant for a period of two years from the date of the Closing.

In the event that the Common Shares close at a trading price of at least $0.30 for 10 consecutive trading days, the Company may cause the Convertible Debentures to be converted into Units at the Conversion Price upon the Company delivering a notice (a "Forced Conversion Notice") to the Debenture holders not less than a minimum of 30 days and a maximum of 60 days prior to the conversion date specified in such Forced Conversion Notice.

Of the total consideration amount of $675,250, $90,768 was allocated to the equity component of the Debentures and the remaining amount allocated to the liability component, to be accreted over the term of the Debentures.

On November 17, 2023, the Company converted $100,000 convertible debentures to 666,666 units at $0.15 per unit. Each unit comprises of one common share and one-half share purchase warrant. Each whole warrant is exercisable into a common share of the Company at an exercise price of $0.30 per share for a period of 24 months.

On December 4, 2023, the Company converted $382,000 convertible debentures to 2,546,664 units at $0.15 per unit. Each unit comprises of one common share and one-half share purchase warrant. Each whole warrant is exercisable into a common share of the Company at an exercise price of $0.30 per share for a period of 24 months.

The debentures matured during the year ended June 30, 2025, are due for repayment on demand and are reflected as a current liability. During the six months ended December 31, 2025, the Company repaid $12,259 of the debentures.

13. Debentures (cont'd)

As at December 31, 2025, the Company's Debentures were comprised of the following:

	Equity component of convertible debenture	Liability component of convertible debenture	Total
Balance, June 30, 2023	$ 90,768	$ 610,938	$ 701,706
Accretion	$ -	58,310	58,310
Conversion	$ (64,445)	(482,000)	(546,445)
Balance, June 30, 2024	$ 26,323	$ 187,248	213,571
Accretion	$ -	6,001	6,001
Expiry of conversion option	$ (26,323)	-	(26,323)
Balance, June 30, 2025	$ -	$ 193,249	193,249
Repayment	$ -	(12,259)	(12,259)
Balance, December 31, 2025	$ -	$ 180,990	180,990

The Company expensed interest on debentures of $13,000 for the six months ended December 31, 2025 (December 31, 2024: $8,048). No accretion was recorded in the current period as the debentures had matured (December 31, 2024: $5,128). The debenture liability at December 31, 2025 was $180,990 (June 30, 2025: $193,249).

14. Cancellation of shares and contingencies

On April 16, 2024, the Company cancelled 21,450,000 common shares initially issued in 2019 to Algo8 as part of a technology acquisition. The cancellation was due to a breach of contract, as the seller failed to provide adequate support for the effective utilization or enhancement of the acquired technology. As a result, the related intangible assets were fully impaired to $nil. Following the cancellation, the corresponding share capital of $725,000, originally recognized in 2019, was reversed and credited to contributed surplus. The cancellation is accounted for entirely within equity in accordance with IAS 32 and IFRS 2.

As of the reporting date, no legal action has been initiated by the sellers. Based on the Company's legal assessment, management believes the cancellation was valid, and no present obligation exists. Consequently, no provision has been recognized in the financial statements. However, the matter is disclosed as a contingent liability due to the inherent uncertainty involved.

If the shareholder disputes the cancellation and pursues litigation, there is a risk that the Company could be required to reissue an equivalent number of common shares. In such a case, the Company would recognize a loss equal to the fair value of the shares at the time of reissuance.

15. Subsequent events

Subsequent to December 31, 2025:
(a) the Company received further advances of $120,000 from a company related by common directors, bringing the amount due to $145,000 at June 30, 2026. The amount is free of interest, carries no repayment terms and is due on demand;
(b) the Company obtained an unsecured third-party loan bearing interest at 12% per annum, with a balance of $109,087 (including accrued interest) at June 30, 2026, which was repaid in full after June 30, 2026;
(c) the Company repaid a further $7,790 of debentures during the six months ended June 30, 2026; and
(d) after June 30, 2026, the Company obtained and fully repaid an unsecured short-term third-party loan of $150,000 (together with accrued interest of $1,698), and obtained an additional unsecured loan of $75,000 bearing interest at 10% per annum and repayable on demand.

SCHEDULE "B"

INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS

DEEPSPATIAL INC.

(formerly, Aylen Capital Inc.)

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE THREE AND SIX MONTHS ENDED DECEMBER 31, 2025

Introduction

Management's Discussion and Analysis ("MD&A") is intended to help readers understand DeepSpatial Inc.'s (the "Company") unaudited condensed interim consolidated financial statements for the three and six months ended December 31, 2025. This MD&A should be read together with those financial statements and the audited consolidated financial statements for the year ended June 30, 2025. Except where otherwise indicated, amounts are expressed in Canadian dollars. The effective date of this report is October 28, 2026.

Forward-Looking Statements

Certain statements contained in the following MD&A constitute forward-looking statements (within the meaning of the Canadian securities legislation and the U.S. Private Securities Litigation Reform Act of 1995) that involve risks and uncertainties. Forward-looking statements are frequently, but not always, identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible" and similar expressions, or statements that events, conditions or results "will", "may", "could" or "should" occur or be achieved. The forward-looking statements may include statements regarding work programs, capital expenditures, timelines, strategic plans, market price of commodities or other statements that are not statement of fact. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company may differ materially from those reflected in forward-looking statements due to a variety of risks, uncertainties and other factors. For the reasons set forth above, investors should not place undue reliance on forward-looking statements. Important factors that could cause actual results to differ materially from the Company's expectations include uncertainties involved in disputes and litigation, uncertainty of estimates of capital and operating costs, recovery rates, production estimates and economic return; the need for cooperation of government agencies; the need to obtain additional financing and uncertainty as to the availability and terms of future financing.

It is the Company's policies that all forward-looking statements are based on the Company's beliefs and assumptions which are based on information available at the time these assumptions are made. The forward- looking statements contained herein are as of the effective date of this MD&A and are subject to change after this date, and the Company assumes no obligation to publicly update or revise the statements to reflect new events or circumstances, except as may be required pursuant to applicable laws.

Although management believes that the expectations represented by such forward-looking information or statements are reasonable, there is significant risk that the forward-looking information or statements may not be achieved, and the underlying assumptions thereto will not prove to be accurate. Forward-looking information or statements in this MD&A include, but are not limited to, information or statements concerning our expectations regarding the ability to raise additional funds, results of the research and development performed in relation to the products and services of the Company, positive result due to the change in business model, possibility of entering into strategic alliance, distribution agreements and other arrangements to market their products and services and possibility of producing viable products through the use of the new technologies purchased and developed.

Actual results or events could differ materially from the plans, intentions and expectations expressed or implied in any forward-looking information or statements, including the underlying assumptions thereto,

as a result of numerous risks, uncertainties and factors including: the possibility that opportunities will arise that require more cash than the Company has or can reasonably obtain; dependence on key personnel; dependence on corporate collaborations; potential delays; uncertainties related to early stage of technology and product development; uncertainties as to fluctuation of the stock market; uncertainties as to future expense levels and the possibility of unanticipated costs or expenses or cost overruns; and other risks and uncertainties which may not be described herein. The Company has no policy for updating forward looking information beyond the procedures required under applicable securities laws.

CORPORATE OVERVIEW

The Company's corporate office is located at 40 King Street West, Suite 2400, Toronto, ON, M5H 3Y2.

The Company leverages Artificial Intelligence to create robust intelligence solutions for transforming data into business outcomes for enterprises. At the same time, the company uses a similar approach to providing actionable insights for education, healthcare and agriculture.

Extensive User Research has gone into its development. The Company comes from actual validation of client pain points and the value proposition would substantially improvise planning, resource allocation, and decision-making – predicting the surge in demand and supply, identifying the prospects of high and low margin, multiplying supply chain efficiency, and optimizing service delivery. The scope of solutions that can be improved with the integration of geolocation intelligence is simply endless. The Company's unique technology unites business data with business operations to help it understand: (1) customer personas (to distinguish and classify personalized product preferences and SKU relativity);

(2) predict inventory consumption and link it to effective supply chains and warehouse planning; (3) expand existing markets by locating potential customers analogous to already existing clientele; and (4) to promote targeted pricing and discount strategies on a geospatial basis. Its technology helps businesses better understand important questions including who a company's ideal customers are, how it can more effectively manage inventory, and where to open new locations or expand.

The following highlights the four steps involved in The Company's business solution:

1. Collect business data: **including SKU (Stock Keeping Unit) level, inventory levels and other business key performance indicators (KPIs).**

2. Collect public and private data: The Company's artificial algorithms **use** location context data (through various map engines) as well as public, proprietary and dynamic data in order to arrive at relevant insights. The company's pre-built algorithms customize this data in order to generate a unique geospatial algorithm for its clients that is used to optimize their business.

3. Utilize artificial intelligence and machine learning **engine to: arrive at future data sets (which are used as pre usage data sets); geospatially stitch information together to allow the automatic geocoding and display of such data; and apply its machine learning algorithms to arrive at relevant features important to a particular business processes and outcomes.**

4. Generated insights will allow businesses to understand:

- WHO:
  - are the customers that a particular business should target?
  - are the "super fans" that can improve a company's NPS (net promoter score)
  - are the most active on social media?
  - should we be focusing our business efforts towards?
- WHEN:
  - is the best time to launch a product or service?
  - is the best time to expand?
  - is the best time to scale back?
  - should a business allocate resources to a specific, time-sensitive initiative?
- WHERE:
  - are the most profitable places for expansion?
  - should a business open a new location?
  - should a business keep its warehouse/office?
  - should a business target its marketing (traditional & digital) and spending?
  - should a company strategically increase/decrease its presence?
  - are the bottlenecks in the end of end process of the business as a whole?
- HOW:
  - can a business/brand better connect with people?
  - can a business optimize its inventory and/or service management?
  - can a business build better supply chains?
  - can a business use social media and location data to discover unique factors of consumer behavior including regarding a consumer's hobbies and interests, lifestyle preferences, relationships, diet choices, entertainment preferences and his or her culture and beliefs?
  - can a business predict the probability that a service or product will succeed in a particular market?
- WHY:
  - is a business not obtaining the intended results?
  - is a business or segment growing?
  - isn't a business or segment growing?

The result? Smart, data driven decisions for business growth across multiple industries including retail, food and beverage, government as well as agriculture and engineering construction.

One of the most common challenges faced by companies is how to how to apply data (that is largely unstructured) in a meaningful way to their business. Our Company helps bridge that gap by synthesizing the collected data into a format that can easily understood by companies to provide data-driven answers. The data fusion platform together with the machine learning platform allows business to stitch data which is multi variable and analyze the same.

Product Pipeline

The company has launched products for the enterprise segment along with that an end to end platform for education, healthcare and agriculture. At the same time, the company is working on use cases associated with crime prevention.

Verticals Targeted

Our current efforts to commercialize our technology are targeted towards the government sector as being one of the focus segments along with players in the manufacturing, retail, food and beverage, and transportation verticals. As we mature, we hope to penetrate other industry verticals with our AI and alternative data offering that provides robust geo-intelligence insights for businesses. Currently, our biggest focus is on education, agriculture and healthcare.

In March, Deepspatial announced the appointment of technology and business development experts to its board to strategize technology development and to further business development. The following
Sourav Sachin, VP Engineering at BrowserStack, previously CEO of WoNoBo, Director of Engineering, Flipkart Kapil Raval, Director, Partner Ecosystem, Azure Global Engineering at Microsoft
Andrew Mandyam, Founding Partner, Utilis Consulting, previously Director at Enbridge Gas Distribution
Robert Luciano, CEO, DecisionSMART Retail Advisory, previously Director, Starbucks Coffee Canada
Pulkit Trivedi, Director, Google, previously Director, Facebook

Sourav Sachin is an alumnus of the prestigious Indian Institute of Technology, Bombay, and brings over two decades of experience in the technology, media, and retail sectors where he has built, scaled, and commercialized several technologies. He is currently the VP of Engineering at BrowserStack, a technology company specializing in building cloud web and mobile testing platforms that provide developers the ability to test their website and applications across on-demand browsers. Prior to joining BrowserStack, Sourav served as the CEO of WoNoBo, a cloud-based GIS platform specializing in “street view” functionality. Sourav was the Director of Engineering for Flipkart, India’s largest eCommerce company, which was acquired by WalMart for $16 billion USD.

Kapil Raval is currently a director in the energy vertical for Azure Global Engineering at Microsoft. Prior to this role, he was the Director of Corporate Business Development for AI-infused Industry Solutions for Microsoft. Before his work at Microsoft, Kapil was the Global Business Leader for Telecom Solutions at Hewlett Packard Enterprise, where he led teams globally, expanding HPE’s telecom solutions market by over 12%.

Andrew Mandyam is currently the founder and CEO of Utilis Consulting, an energy consulting company based out of Ontario, specializing in offering a subscription-based product to players in the energy sector. Before founding Utilis, Andrew was the Director of Regulatory Affairs at Enbridge Gas, the largest natural gas utility in Canada serving over 2 million customers and bringing over $2 billion in annual revenues.

Robert Luciano brings over 25 years of experience in the retail sector, and currently serves as the CEO of DecisionSMART advisory, a consulting firm specializing in retail expansion for firms providing in-house expertise on the real estate and demographic variables. Prior to his foray into entrepreneurship, he was the Director of Store Development for Starbucks Coffee Canada, where he led the opening of 50+ new stores across the country and managed a portfolio of 500+ existing assets.

The company also provided a description of its geospatial AI platform:

Pioneering Geo-AI Analytics for Transformative Insights

Deepspatial AI's Geo-AI Analytics Platform represents a cutting-edge blend of geospatial analysis and artificial intelligence, designed to uncover hidden insights across various scales - from state-wide to global levels. The platform is built on a robust inference engine capable of processing diverse data sets across key sectors such as education, agriculture, and food & civil supplies.

Key Features and Value Proposition:

Inference Engine: At the heart of the platform, the inference engine is designed to share hidden insights by analyzing geospatial data. This enables state-wide, country-wide, and global inferencing capabilities.

Sector-Specific Insights: Initially focusing on education, agriculture, and enterprise-specific segments, the platform leverages state data sets to deliver tailored insights.

Scalable Insights: As we integrate more data, our platform's value grows, offering deeper insights. This scalability allows for more accurate modeling and inferencing as the customer base expands across state governments and enterprises.

Customizable Subscription Services: The company’s business model includes segment-specific subscriptions such as Eduverse for education, AgriVerse for agriculture, and Fitverse for health and fitness, among others. This approach allows for targeted solutions that meet the unique needs of clients.

The company also announced appointment of David Yu as an independent director to the board. Mr. Yu brings a wealth of experience and a proven track record of success in the technology and business sectors. His previous role as CEO showcases his exceptional leadership and strategic vision, vital in navigating companies through growth and innovation. His background is further enriched by a bachelor's degree in electronic engineering, and extensive experience in IT support and engineering.

On March 20th, the company also announced a government contract valued at over $800,000. This end-to-end service agreement spans an initial period of three years, marking a significant milestone in Deepspatial's venture in addressing the global food crisis. Over the next eight months, Deepspatial will deploy its cutting-edge AI platform across more than 4,500 locations within one state in India, starting in April 2024. This ambitious project aims to enhance public distribution, market enforcement, and consumer protection through advanced data analytics and AI technologies. Deepspatial's platform will ensure that essential goods and services reach those in need efficiently and effectively. This technology will play a pivotal role in enhancing market discipline and safeguarding consumer interests by providing real-time insights and analytics for decision-makers.

This strategic partnership was secured in collaboration with a leading system integrator, through a competitive bid and RFP process. The collaboration signifies Deepspatial's commitment to leveraging its proprietary technology to address complex challenges in the public sector, ensuring efficient service deliveries and enhanced consumer satisfaction.

The company is proud to announce generation of meaningful revenue. On April 11th, the company announced that between January 1 and March 31, 2024, the Company has received a total of CDN$425,000 in payments from clients for the contracts awarded, demonstrating a significant leap in the Company's financial strength and market trust. Furthermore, the Company has successfully invoiced CDN$860,000 for its innovative solutions during this period, signaling a robust demand for its state-of-the-art AI-driven offerings. These financial achievements underscore Deepspatial's pivotal turning point in its operational success and financial stability.

Furthermore, the company significantly reduced its share count by announcing on April 22nd cancellation of 21,450,000 previously issued common shares of the Company (the "Shares"). The Shares were initially issued to Algo8 India Private Ltd ("Algo8") for acquisition of technology which was never delivered to Deepspatial. Nandan Mishra, a principal of Algo8, has also resigned from the board of directors of Deepspatial, effective immediately.

The company announced further progress in launch of its platform for education in the state of Meghalaya, India on May 13th. The company announced successful completion of a pilot program and the official launch of its education platform under the Government of India's Vidya Samiksha Kendra (VSK) initiative. This milestone marks a significant achievement in the implementation of the National Education Policy. Under the VSK initiative, Deepspatial's platform is being deployed in the state of Meghalaya. Deepspatial's AI-based learning analytics, assessment, and management system is a critical component of the entire VSK setup. VSK setup includes Deepspatial's AI platform along with setup being developed by one of the largest Japanese Multinational Conglomerate which is a Fortune 500 company and among the top 10 companies by market capitalization on NIKKEI index.

The development announced by Deepspatial involved tech enhancement, tech deployment along with revenue generation which together sets the stage for growth of the company moving forward.

Building on its operational momentum in early 2024, the Company continued to expand both the scale and impact of its AI-driven platforms across multiple government initiatives.

On October 2, 2024, Deepspatial was awarded the WGIC DEI Trailblazer Corporate Impact Award 2024 by the World Geospatial Industry Council. This international recognition reflects the measurable impact of the Company's edskCalibre platform in advancing equitable access to education through applied GeoAI and large-scale analytics. The award reinforces Deepspatial's growing credibility as a global public-sector technology partner.

Shortly thereafter, on October 10, 2024, the Company commenced implementation of its edskCalibre platform under a contract valued at approximately $2 million with the Department of Education, Government of Himachal Pradesh, India. The deployment supports personalized assessment, career guidance, and performance analytics for more than 530,000 students and approximately 5,000 educators.

This state-wide rollout further validates the scalability of the Company's AI infrastructure and its ability to execute complex, multi-location public sector deployments.

On October 29, 2024, the Company expanded its education footprint through participation in a Government-led Talent Identification Programme designed to identify high-potential students for scholarship opportunities with the Aga Khan Foundation. By leveraging its proprietary analytics engine, Deepspatial enabled large-scale, data-driven student assessment, further strengthening its positioning within the education technology and social impact ecosystem.

While operational progress continued, the Company also addressed regulatory matters. On November 1, 2024, the Ontario Securities Commission issued a Failure-to-File Cease Trade Order as a result of delays in filing audited financial statements and related disclosures for the fiscal year ended June 30, 2024. Management has prioritized resolution of these matters and has taken concrete steps to restore full compliance.

On November 11, 2025, the Company appointed new auditors to complete outstanding financial filings and advance the process toward revocation of the cease trade order. Management views this appointment as a critical governance milestone and remains focused on strengthening internal controls, completing required filings, and positioning the Company for re-engagement with capital markets.

SELECTED FINANCIAL INFORMATION

The following information is derived from the unaudited condensed interim consolidated financial statements for the three and six months ended December 31, 2025 and 2024. Parentheses denote losses or cash outflows.

	Three months 2025 $	Three months 2024 $	Six months 2025 $	Six months 2024 $
Revenue	373,549	209,404	654,504	649,419
Direct costs	215,107	86,445	450,504	277,234
Gross profit	158,442	122,959	204,000	372,185
Operating expenses	(413,597)	(305,836)	(731,817)	(579,101)
Loss before income taxes	(255,155)	(182,877)	(527,817)	(206,916)
Income tax expense	–	–	–	(17,560)
Net loss	(255,155)	(182,877)	(527,817)	(224,476)
Comprehensive loss	(253,783)	(185,463)	(521,440)	(226,180)
Loss per share, basic and diluted	(0.0025)	(0.0018)	(0.0052)	(0.0022)
Weighted average common shares	102,422,171	102,422,171	102,422,171	102,422,171

Financial position

	December 31, 2025 $	June 30, 2025 $
Cash and cash equivalents	72,110	72,552
Contract asset	979,135	459,537
Other current assets	306,784	200,227
Total current assets	**1,358,029**	**732,316**
Total assets	**1,358,029**	**732,316**
Accounts payable and accrued liabilities	1,167,042	1,042,620
Contract liabilities	1,116,038	219,546
Loans	164,585	87,038
Due to related party	25,000	–
Income tax payable	123,059	87,108
Debentures	180,990	193,249
Total current liabilities	**2,776,714**	**1,629,561**
Shareholders' deficiency	(1,418,685)	(897,245)

Results of operations

For the three months ended December 31, 2025, revenue was $373,549 compared with $209,404 in the corresponding 2024 period. Direct costs were $215,107 (2024: $86,445), yielding gross profit of $158,442 (2024: $122,959) and a gross margin of approximately 42.4% (2024: 58.7%). Operating expenses were $413,597 compared with $305,836 in 2024, and net loss was $255,155 compared with $182,877. There was no income tax expense in either December quarter.

For the six months ended December 31, 2025, revenue was $654,504 compared with $649,419 in 2024. Direct costs were $450,504 (2024: $277,234), gross profit was $204,000 (2024: $372,185), a gross margin of approximately 31.2% (2024: 57.3%), and operating expenses were $731,817 compared with $579,101

in 2024. There was no income tax expense in the 2025 period (2024: $17,560), and the net loss was $527,817 compared with $224,476. All revenue was generated in India through the Company's contracted activities, and one customer accounted for 100% of revenue for the six months ended December 31, 2025.

Compared with the December 2024 quarter, the increase in operating expenses was driven principally by higher transfer agent and regulatory fees ($48,969 versus $10,370), higher payroll expenses ($96,677 versus $49,505) as the Company added staff for its operations in India, higher consulting fees ($55,829 versus $33,688), higher office and miscellaneous costs ($99,796 versus $85,283) and higher interest expense ($8,610 versus $2,677). These increases were partly offset by the absence of marketing ($15,000 in 2024), legal ($5,000) and research and development ($4,955) costs. Management fees were $62,400 compared with $56,400, and audit and accounting costs were $26,820 compared with $26,250.

On a six-month basis, payroll expenses rose to $164,444 from $80,736, office and miscellaneous costs rose to $212,832 from $154,730 (including office rent in India), consulting fees rose to $104,620 from $64,171, transfer agent and regulatory fees rose to $57,942 from $20,531 and interest expense rose to $15,610 from $8,048. Management fees declined to $124,800 from $142,800, and there were no marketing (2024: $30,000), research and development (2024: $19,553), legal (2024: $6,900) or interest accretion (2024: $5,128) costs in the 2025 period.

Summary of quarterly results

The following quarterly amounts are presented as profit (loss) before income taxes on a consistent basis. No income tax expense was recorded in the fiscal 2026 quarters; the fiscal 2025 income tax expense of $17,560 for the six months ended December 31, 2024 was recorded in the September 2024 quarter.

Quarter	Profit (loss) before tax $
Q2 FY2026 — Dec. 31, 2025	(255,155)
Q1 FY2026 — Sep. 30, 2025	(272,662)
Q4 FY2025 — Jun. 30, 2025	(111,454)
Q3 FY2025 — Mar. 31, 2025	375,646
Q2 FY2025 — Dec. 31, 2024	(182,877)
Q1 FY2025 — Sep. 30, 2024	(41,599)
Q4 FY2024 — Jun. 30, 2024	(1,352,888)
Q3 FY2024 — Mar. 31, 2024	(173,853)

No cash dividends have been paid by the Company, and management does not presently intend to pay dividends while available funds are needed for operations.

CRITICAL ACCOUNTING ESTIMATES

Preparing financial statements in conformity with IFRS requires the Company to select from possible alternative accounting principles. Estimates also affect classification and reported amounts for various assets, liabilities, equity balances, revenues and expenses. Prior estimates are revised as new information is obtained and are subject to change in future periods. Management believes the accounting policies and estimates used in preparing the financial statements are considered appropriate in the circumstances but are subject to numerous judgments and uncertainties inherent in the financial reporting process.

The preparation of these financial statements requires management to make judgements regarding the going concern of the Company, as well as the determination of functional currency. The functional currency is

the currency of the primary economic environment in which an entity operates and has been determined for the Company. The functional currency for the Company has been determined to be the Canadian dollar and its subsidiary in India as Indian Rupees.

Significant estimates made by management affecting the financial statements include:

Revenue recognition

Contract revenue relating to performance obligations satisfied over time is recognized using a percentage-of-completion approach. Contract revenue, contract assets, contract liabilities, and contract costs are determined based on management estimates and judgments used to measure progress toward completion of contracts. Progress toward completion is measured by comparing actual costs incurred to date with total estimated costs for the contract. In determining total estimated costs, management applies judgment and assumptions related to, among other factors, project schedules, material and labour costs, and changes in contract scope. Changes in estimates could impact the amount and timing of revenue recognized, as well as related contract assets and contract liabilities.

Revenue is recognized only when it is probable that the Company will collect the consideration to which it expects to be entitled. For contracts where collectability is not considered probable, no revenue or contract asset is recognized until such time as collectability becomes probable.

Deferred tax assets & liabilities

The estimation of income taxes includes evaluating the recoverability of deferred tax assets and liabilities based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets and liabilities will not be realized. The ultimate realization of deferred tax assets and liabilities is dependent upon the generation of future taxable income and the interpretation of tax regulations in multiple jurisdictions. As the final outcome of tax reviews may differ from the estimates recorded, changes in these estimates are recognized in the period they become known. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets or liabilities, and deferred income tax provisions or recoveries could be affected.

Useful life of intangible assets

The intangible asset is depreciated over its estimated useful life. Estimated useful lives are determined based on current facts and past experience and takes into consideration the anticipated life of the asset, the potential for technological obsolescence, and regulations.

Impairment

The Company applies judgment to assess whether there are any indications that the carrying value of its

intangible assets, including trademarks and incorporation costs, may be impaired. Intangible assets are tested for impairment

whenever there is an indication that their carrying value may exceed their recoverable amount. Additionally, intangible assets with indefinite useful lives, such as trademarks, are tested for impairment at least annually.

The recoverable amount of these intangible assets is determined based on the higher of fair value less costs to sell and value in use ("VIU"). Estimating the recoverable amount involves making assumptions about future cash flows, projected revenues, operating results, and other factors such as discount rates and margins. These estimates may change over time due to market conditions or business strategies.

The impairment test ensures that intangible assets are not carried at more than their recoverable amount, reflecting the Company's judgment about whether the expected future economic benefits from the asset remain intact.

Share-based Payments

Estimating fair value for granted stock options and warrants requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option or warrant, volatility, dividend yield, and rate of forfeitures and making assumptions about them.

Provisions

The Company recognizes provisions if there is a present obligation as a result of a past event, it is probable that the Company will be required to settle the obligation and the obligation can be reliably estimated. The amount recognized as a provision reflects management's best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

Convertible debentures

The Company makes estimates and assumptions relating to the fair value measurement and disclosure of its convertible debentures. The fair values are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, management's judgment is required to establish fair values.

Financial instruments

Financial assets and liabilities, with the exception of accounts receivable and contract asset that does not have a significant financing component, are initially recognized at fair value plus or minus directly attributable transaction costs as appropriate, except for financial assets at fair value through profit or loss, for which transaction costs are expensed. The determination of fair value requires the Company to make assumptions, estimates and judgments regarding approach, effective interest rate, impairment, and foreign exchange rates. As a result, the fair value impacts the Company's reported assets and liabilities.

Shares issued for non-cash consideration

The Company measures equity-settled share-based payment transactions based on an estimate of the fair value of goods or services received, unless that fair value cannot be estimated reliably, in which case the Company measures the fair value of the goods or services received based on the fair value of the equity instruments granted.

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2025, cash and cash equivalents were $72,110 compared with $72,552 at June 30, 2025. Current assets were $1,358,029 and current liabilities were $2,776,714, resulting in a working capital deficiency of $1,418,685, compared with $897,245 at June 30, 2025. The contract asset increased to $979,135 from $459,537, while contract liabilities increased to $1,116,038 from $219,546. Accounts payable and accrued liabilities increased to $1,167,042 from $1,042,620.

Cash used in operating activities was $96,107 for the six months ended December 31, 2025 (2024: $299,175). The 2025 amount includes the $527,817 net loss, $1,000 of accrued CEBA loan interest and $430,710 of cash provided by changes in non-cash working capital. The increase in contract liabilities of $896,492, together with increases in accounts payable and accrued liabilities of $124,422 and income tax payable of $35,951 and a decrease in accounts receivable of $13,078, more than offset increases in the contract asset of $519,598, prepaid expenses of $84,827 and sales tax receivable of $34,808.

There were no investing cash flows in either six-month period. Financing activities provided $91,408 (2024: $69,204), comprising loan proceeds of $78,667 received by the Indian subsidiary and $25,000 advanced by a company related by common directors, partly offset by debenture repayments of $12,259. After a $4,257 foreign-exchange effect, cash decreased by $442 to $72,110.

Going concern uncertainty

The Company incurred a net loss of $527,817 and used $96,107 in operating activities during the six months ended December 31, 2025. At that date it had $72,110 of cash, a working capital deficiency of $1,418,685 and an accumulated deficit of $9,896,865. These conditions indicate a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Its ability to meet obligations depends on collecting amounts under customer contracts, generating cash from operations and obtaining additional financing when required. There can be no assurance that sufficient financing or operating cash flows will be available.

OUTSTANDING SHARE DATA

The Company had 102,422,171 common shares outstanding at December 31, 2025. No common shares, stock options, restricted share units or warrants were issued during the six months then ended, and no share-based compensation expense was recorded.

Security	December 31, 2025	October 28, 2026
Common shares	102,422,171	102,422,171
Stock options	–	–
Restricted share units	202,668	202,668
Warrants	–	–
Fully diluted securities	102,624,839	102,624,839

All 24,272,665 warrants outstanding at June 30, 2025 expired unexercised during the six months ended December 31, 2025, between September 13, 2025 and December 4, 2025. No common shares, stock options, restricted share units or warrants were issued after December 31, 2025 and before the date of this MD&A.

FINANCIAL INSTRUMENTS

Cash, accounts receivable, the contract asset, accounts payable and accrued liabilities, loans, the amount due to a related party and debentures are the Company's principal financial instruments. Credit risk arises principally from customer balances; one customer accounted for 100% of revenue for the six months ended December 31, 2025, resulting in significant customer concentration risk. Liquidity risk is significant given cash of $72,110 and current liabilities of $2,776,714 at December 31, 2025. The India subsidiary also exposes the Company to foreign-currency risk. See the accompanying financial statements for the Company's accounting policies and further information about these risks.

TRANSACTIONS WITH RELATED PARTIES

Management fees expensed to directors and officers were $124,800 in the six months ended December 31, 2025 (2024: $142,800), and vehicle-use expenses were $6,000 (2024: $6,000). At December 31, 2025, $25,000 was due to a company related by common directors (June 30, 2025: $nil); the amount is interest free, carries no repayment terms and is due on demand.

As at December 31, 2025, there was $573,853 (June 30, 2025: $450,648) due to related parties in accounts payable and accrued liabilities.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not reported material off-balance sheet arrangements in the accompanying interim financial statements.

BOARD PURPOSE AND FUNCTION

The Board oversees corporate governance, strategy, financial reporting and the interests of shareholders. At December 31, 2025, the Board consisted of three members. There were no changes in the directors after December 31, 2025 and before the date of this MD&A.

CONTROL AND PROCEDURES

The Chief Executive Officer and Chief Financial Officer are responsible for designing internal controls over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external purposes in accordance with IFRS. The design of the Company's internal control over financial reporting was assessed as of the date of this Management Discussion and Analysis.

Based on this assessment, it was determined that certain weaknesses existed in internal controls over financial reporting. As indicative of many small companies, the lack of segregation of duties and effective risk assessment were identified as areas where weaknesses existed. The existence of these weaknesses is to be compensated for by senior management monitoring, which exists. The officers will continue to monitor very closely all financial activities of the Company and increase the level of supervision in key areas. It is important to note that this issue would also require the Company to hire additional staff in order to provide greater segregation of duties. Since the increased costs of such hiring could burden the Company's financial resources, management has chosen to disclose the potential risk in its filings and proceed with increased staffing only when the budgets and workload will enable the action. The Company has attempted to mitigate these weaknesses, through a combination of extensive and detailed review by the CFO of the financial accounting and reporting.

(a) The Company being a venture issuer, is not required to certify the design and evaluation of the Company's Disclosure Control and Procedures ("DC&P") and Internal Control Over Financial Reporting ("ICFR") and has not completed such an evaluation; and

(b) inherent limitations on the ability of the certifying officers to design and implement on a cost effective basis DC&P and ICFR for the issuer may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

RISKS AND UNCERTAINTIES

The Company faces risks associated with limited liquidity, customer concentration, the need for additional financing, technology development, competition and its ability to protect intellectual property. These risks should be considered together with the going concern disclosure in the interim financial statements.

Regulatory filings and cease trade order

On November 1, 2024, the Ontario Securities Commission issued a failure-to-file cease trade order because of delays in the Company's continuous disclosure filings. This restricts trading in the Company's securities and could affect liquidity, investor confidence and access to capital until the order is revoked.

Management

Dependence on Key Personnel, Contractors and Service Providers, shareholders of our Company rely on the good faith, experience and judgment of the Company's management and advisors in supervising and providing for the effective management of the business and the operations of the Company and in selecting and developing new investment and expansion opportunities. The Company may need to recruit additional qualified contractors and service providers to supplement existing management. The Company will be

dependent on a relatively small number of key persons, the loss of any one of whom could have an adverse effect on the Company.

Value of Our Common Shares

The value of the Company's common shares could be subject to significant fluctuations in response to variations in and annual operating results, the success of the Company's business strategy, competition or other applicable regulations which may affect the business of the Company and other factors.

Additional Funding and Financing Risk

Additional funds will be required for future development. The source of future funds available to the Company is through the sale of additional equity capital or borrowing of funds. There is no assurance that such funding will be available to the Company. Furthermore, even if such financing is successfully completed, there can be no assurance that it will be obtained on terms favorable to the Company or will provide the Company with sufficient funds to meet its objectives, which may adversely affect the Company's business and financial position. In addition, any future equity financing by the Company may result in substantial dilution for existing shareholders.

Uninsured Hazards

The Company currently carries no insurance coverage. The potential costs that could be associated with any liabilities not covered by insurance or compliance with applicable laws and regulations may cause substantial delays and require significant capital outlays, adversely affecting the Company's financial position.

Conflicts of Interest

Certain Directors and Officers of the Company also serve as Directors and officers of other companies involved in development and production. Consequently, there exists the possibility that such Directors or Officers may be in a position of conflict of interest. Any decision made by such Directors or Officers involving the Company are made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such Directors will declare and refrain from voting on, any matter in which such Directors may have a material conflict of interest.

Permits, Licenses and Approvals

The operations of the Company may require licenses and permits from various governmental authorities. The Company believes it holds or is in the process of obtaining all necessary licenses and permits to carry on the activities which it is currently conducting under applicable laws and regulations. Such licenses and permits are subject to changes in regulations and in various operating circumstances. There can be no guarantee that the Company will be able to obtain all necessary licenses and permits that may be required to maintain its activities.

General Venture Company Risks

The common shares must be considered highly speculative due to the nature of the Company's business, the early stage of its deployment, its current financial position and ongoing requirements for capital. An investment in the common shares should only be considered by those persons who can afford a total loss of investment and is not suited to those investors who may need to dispose of their investment in a timely fashion. Investors should consult with their own professional advisors to assess the legal, financial and other aspects of an investment in common shares.

Uncertainty of Revenue Growth

There can be no assurance that the Company can generate substantial revenue growth, or that any revenue growth that is achieved can be sustained. Revenue growth that the Company has achieved or may achieve may not be indicative of future operating results. In addition, the Company may increase further its operating expenses in order to fund increase its sales and marketing efforts and increase its administrative resources in anticipation of future growth. To the extent that increases in such expenses precede or are not subsequently followed by increased revenues, the Company's business, operating results and financial condition will be materially adversely affected.

Marketing and Distribution Capabilities

In order to commercialize its technology, the Company must either acquire or develop an internal marketing and sales force with technical expertise and with supporting distribution capabilities or arrange for third parties to perform these services. In order to market certain of its products, the Company must either acquire or develop a sales and distribution infrastructure. In order to maximize sales of other products, the Company may determine that it needs to either acquire or develop a sales and distribution infrastructure. The acquisition or development of a sales and distribution infrastructure would require substantial resources, which may divert the attention of its management and key personnel and defer its product development and deployment efforts. To the extent that the Company enters into marketing and sales arrangements with other companies, its revenues will depend on the efforts of others. These efforts may not be successful. If the Company fails to develop substantial sales, marketing and distribution channels, or to enter into arrangements with third parties for those purposes, it will experience delays in product sales and incur increased costs.

Rapid Technological Development

The markets for the Company's products and services are characterized by rapidly changing technology and evolving industry standards, which could result in product obsolescence or short product life cycles. Accordingly, the Company's success is dependent upon its ability to anticipate technological changes in the industries it serves and to successfully identify, obtain, develop and market new products that satisfy evolving industry requirements. There can be no assurance that the Company will successfully develop new products or enhance and improve its existing products or that any new products and enhanced and improved

existing products will achieve market acceptance. Further, there can be no assurance that competitors will not market products that have perceived advantages over the Company's products or which render the products currently sold by the Company obsolete or less marketable.

The Company must commit significant resources to developing new products before knowing whether its investments will result in products the market will accept. To remain competitive, the Company may be required to invest significantly greater resources then currently anticipated in research and development and product enhancement efforts and result in increased operating expenses.

Competition

The Company's industry is competitive and composed of many foreign companies. The Company expects to experience competition from competitors whom it expects to continue to improve their products and technologies. Competitors may announce and introduce new products, services or enhancements that better meet the needs of end-users or changing industry standards, or achieve greater market acceptance due to pricing, sales channels or other factors. Competitors may be able to respond more quickly than the Company to changes in end-user requirements and devote greater resources to the enhancement, promotion and sale of their products.

Intellectual Property

The Company's ability to compete effectively will depend, in part, on its ability to maintain the proprietary nature of its technology. Although the Company considers certain of its technology to be proprietary, patents or copyrights do not protect all design and technology. The Company has adopted procedures to protect its intellectual property and maintain secrecy of its confidential business information and trade secrets. However, there can be no assurance that such procedures will afford complete protection of such intellectual property, confidential business information and trade secrets. There can be no assurance that the Company's competitors will not independently develop technologies that are substantially equivalent or superior to the Company's technology.

To protect the Company's intellectual property, it may become involved in litigation, which could result in substantial expenses, divert the attention of its management, cause significant delays and materially disrupt the conduct of its business.

SUBSEQUENT DEVELOPMENTS

Subsequent to December 31, 2025, the Company received further advances of $120,000 from a company related by common directors, bringing the amount due to $145,000 at June 30, 2026; obtained an unsecured third-party loan bearing interest at 12% per annum, with a balance of $109,087 (including accrued interest) at June 30, 2026 that was repaid in full after June 30, 2026; and repaid a further $7,790 of debentures. After June 30, 2026, the Company also obtained and fully repaid an unsecured short-term third-party loan of $150,000 (together with accrued interest of $1,698) and obtained an additional unsecured loan of $75,000 bearing interest at 10% per annum and repayable on demand.

STRATEGY AND OUTLOOK

The Company's objective is to increase shareholder value by commercializing its artificial intelligence and geospatial analytics products, executing customer contracts and pursuing suitable strategic opportunities.