FORM 5

QUARTERLY LISTING STATEMENT

Name of Listed Issuer: Yocale.ai Inc. (the "Issuer").

Trading Symbol: YAI

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

The Issuer's Condensed Consolidated Interim Financial Statements for the nine months ended May 31, 2026 (the "**Interim Financial Statements**") are attached hereto as Schedule A.

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 are disclosed in Note 8 (the "Note") to the Issuer's Interim Financial Statements attached hereto as Schedule A. For additional information supplementing the disclosures contained in the Note, please refer to the Management's Discussion and Analysis ("MD&A") for the nine months ended May 31, 2026, as filed with the securities regulatory authorities and attached to this Form 5 as Schedule C.

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

All securities issued and options granted, if any, have been disclosed in the Issuer's Interim Financial Statements attached hereto as Schedule A.

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,

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
May 4, 2026	Common Shares	Private Placement	1,740,000	$0.25	$435,000	Cash	**Director**	None

(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
The Issuer did not grant any options during the reporting period.						

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,

The Issuer is authorized to issue an unlimited number of Class A Common Shares without par value.

As at	Share Class	Number of Shares	Recorded Value
May 31, 2026	Class A Common Shares	61,907,500	$10,629,250

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

See the table in Item 3(a) for details.

(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

Securities	Number Outstanding	Exercise Price	Expiry Date
Stock Options	700,000	$0.25	September 1, 2030
TOTAL	**700,000**		
Warrants	1,250,500	$0.05	December 31, 2028
	1,275,199	$0.16	February 28, 2030
	410,000	$0.25	September 1, 2030
	180,000	$0.25	September 15, 2028
	160,000	$0.25	November 4, 2028
	300,000	$0.25	December 2, 2028
	50,000	$0.25	December 9, 2029
TOTAL	**3,625,699**		
Restricted Share Units	500,000	$0.25	June 23, 2028
	440,000	$0.25	September 1, 2028
	120,000	$0.25	September 15, 2028
	40,000	$0.25	December 9, 2028
TOTAL	**1,100,000**		

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

There are 43,431,750 Class A Common Shares subject to escrow agreement at the end of the reporting period. No Class A Common Shares were subject to a pooling agreement.

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	Positions
Aydin Asli	Chief Executive Officer & Director
Sheri Rempel	Chief Financial Officer & Corporate Secretary
Arash Asli	Director
Mehdi Hosseini	Director
Howard Blank	Director

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

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

The Issuer's MD&A for the period ended May 31, 2026, as filed with the applicable securities regulatory authorities, is attached hereto as Schedule C.

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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 July 30, 2026.

Sheri Rempel
Name of Director or Senior Officer

/s/ "Sheri Rempel"
Signature

Chief Financial Officer
Official Capacity

Issuer Details Name of Issuer YOCALE.AI INC.	For Quarter Ended May 31, 2026	Date of Report YY/MM/D 2026/07/30
Issuer Address 350-889 Harbourside Drive		
City/Province/Postal Code North Vancouver, BC V7P 3S1	Issuer Fax No. N/A	Issuer Telephone No. 1 855-996-2253
Contact Name Aydin Asli	Contact Position CEO and Director	Contact Telephone No. 1 855-996-2253
Contact Email Address info@yocale.ai	Web Site Address www.yocale.ai	

Yocale.AI Inc.
(formerly Vivasync Solutions Inc.)

Condensed Interim Financial Statements
(Unaudited)

For the three and nine months ended May 31, 2026 and 2025
(In Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Continuous Disclosure Obligations, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these condensed interim financial statements in accordance with standards established by the Chartered Professional Accountants for a review of interim financial statements by an entity's auditor.

Yocale.AI Inc. (formerly Vivasync Solutions Inc.)

Condensed Interim Statements of Financial Position

As at May 31, 2026 and August 31, 2025

(Unaudited - Expressed in Canadian dollars)

	Notes	May 31, 2026	August 31, 2025
		$	$
ASSETS			
Current			
Cash		724,915	601,465
Sales tax receivable		66,866	100,564
Short term investments	6	615,520	909,225
Prepaid expenses and deposits	3	506,400	143,400
		1,913,701	1,754,654
Non-current			
Intangible assets	5	7,039,681	8,129,155
TOTAL ASSETS		**8,953,382**	**9,883,809**
LIABILITIES			
Current			
Accounts payable and accrued liabilities	4	545,679	222,214
Current portion of deferred consideration payable	8,10	-	41,795
		545,679	264,009
Non-current			
Deferred consideration payable	8,10	2,390,428	2,972,213
TOTAL LIABILITIES		**2,936,107**	**3,236,222**
SHAREHOLDERS' EQUITY			
Share capital	7	10,629,250	8,586,750
Contributed surplus	7	303,120	77,926
Accumulated deficit		(4,915,095)	(2,017,089)
TOTAL SHAREHOLDERS' EQUITY		**6,017,275**	**6,647,587**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**8,953,382**	**9,883,809**

Nature of operations (Note 1)

Subsequent event (Note 14)

Approved on behalf of the Board of Directors:

(Signed) "Mehdi Hosseini"	(Signed) "Aydin Asli"
Director	Director

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

Yocale.AI Inc. (formerly Vivasync Solutions Inc.)
Condensed Interim Statements of Loss and Comprehensive Loss
Three and Nine months ended May 31, 2026 and 2025
(Unaudited - Expressed in Canadian dollars)

		Three months ended May 31,		Nine months ended May 31,	
	Note	**2026**	**2025**	**2026**	**2025**
		$	$	$	$
Operating expenses					
Amortization	5	367,149	125,383	1,089,474	125,383
Professional fees		429,553	-	850,315	1,312
Salaries and wages		73,967	28,543	262,270	28,543
General & administrative expense		83,522	17,599	177,502	17,622
Share-based compensation	7	47,488	28,168	225,194	28,168
Total operating expenses		**(1,001,679)**	**(199,693)**	**(2,604,755)**	**(201,028)**
Other items					
Dividend income	6	12,944	6,627	53,830	6,627
Interest income		4,529	4,099	9,339	4,099
Accretion expense	10	(80,273)	(94,673)	(251,028)	(94,673)
Acquisition of VST blockchain technology	10	-	(822,000)	-	(822,000)
Loss on modification of deferred consideration payable	10	-	-	(105,392)	-
Total other items		**(62,800)**	**(905,947)**	**(293,251)**	**(905,947)**
Loss and comprehensive loss		**(1,064,479)**	**(1,105,640)**	**(2,898,006)**	**(1,106,975)**
Weighted average number of shares - basic and diluted		**60,572,065**	**41,146,467**	**57,351,566**	**18,763,645**
Loss per share - basic and diluted		**(0.02)**	**(0.03)**	**(0.05)**	**(0.06)**

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

Yocale.AI Inc. (formerly Vivasync Solutions Inc.)
Condensed Interim Statements of Changes in Shareholders' Equity
Nine months ended May 31, 2026 and 2025
(Unaudited - Expressed in Canadian dollars)

	Note	Number of common shares	Share capital	Contributed surplus	Accumulated deficit	Total
		#	$	$	$	$
Balance, August 31, 2024		5,000,000	41,000	-	(4,440)	36,560
Shares issued in private placements		20,937,500	3,131,500	-	-	3,131,500
Shares issued in acquisition - Yocale		22,000,000	4,400,000	-	-	4,400,000
Shares issued in acquisition - VST		4,000,000	800,000	-	-	800,000
Stock based compensation		-	-	28,168	-	28,168
Loss and comprehensive loss		-	-	-	(1,106,975)	(1,106,975)
Balance, May 31, 2025		**51,937,500**	**8,372,500**	**28,168**	**(1,111,415)**	**7,289,253**
Balance, August 31, 2025		53,737,500	8,586,750	77,926	(2,017,089)	6,647,587
Shares issued in private placements	7(b)	8,170,000	2,042,500	-	-	2,042,500
Stock based compensation	7	-	-	225,194	-	225,194
Loss and comprehensive loss		-	-	-	(2,898,006)	(2,898,006)
Balance, May 31, 2026		**61,907,500**	**10,629,250**	**303,120**	**(4,915,095)**	**6,017,275**

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

Yocale.AI Inc. (formerly Vivasync Solutions Inc.)
Condensed Interim Statements of Cash Flows
Nine months ended May 31, 2026 and 2025
(Unaudited - Expressed in Canadian dollars)

	Nine months ended May 31, 2026	Nine months ended May 31, 2025
	$	$
Operating activities		
Loss and comprehensive loss	(2,898,006)	(1,106,975)
Adjustments for:		
Amortization	1,089,474	125,383
Accretion expense	251,028	94,673
Share-based compensation	225,194	28,168
Acquisition of VST blockchain technology	-	800,000
Dividend income	(53,830)	(6,627)
Loss on modification of deferred consideration payable	105,392	-
Changes in non-cash working capital items:		
Sales tax receivable	33,698	(498,064)
Prepaid expenses and deposits	(363,000)	(78,150)
Accounts payable and accrued liabilities	323,465	434,627
Net cash used in operating activities	**(1,286,585)**	**(206,965)**
Investing activities		
Deferred cash consideration paid - IP rights	(980,000)	(700,000)
Dividends received	12,535	-
Acquisition related transaction costs	-	(132,160)
Purchase of investments	-	(1,200,000)
Disposal of investments	335,000	-
Net cash used in investing activities	**(632,465)**	**(2,032,160)**
Financing activities		
Shares issued for cash	2,042,500	3,131,500
Net cash provided by financing activities	**2,042,500**	**3,131,500**
Increase in cash	123,450	892,375
Cash, beginning of period	601,465	40,000
Cash, end of period	**724,915**	**932,375**

Supplemental cash flow disclosures (Note 11)

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

(Unaudited - Expressed in Canadian Dollars)

1. Nature of operations

Yocale.AI Inc.'s (formerly Vivasync Solutions Inc.) ("Yocale.AI" or the "Company") principal business is to operate and develop a vertical scheduling, business management, and payments software platform focused on the beauty and wellness segment. Yocale.AI co-owns its digital platform through an IP Assignment and Co-Ownership Agreement (Note 10) and intends to specifically enhance its capabilities to be used for the beauty and wellness services industry. The Company was incorporated pursuant to the Business Corporations Act (British Columbia) on July 13, 2021, as M2 Marketing Corp. On February 12, 2025, the Company changed its name to Vivasync Solutions Inc. On July 1, 2025, the Company changed its name to Yocale.AI Inc. The Company's registered address is located at 2900-550 Burrard Street, Vancouver, British Columbia V6C 0A3 and principal place of business is located at 350-889 Harbourside Drive, North Vancouver, British Columbia V7P 3S1.

On May 7, 2026, the Yocale.ai Inc. ("Yocale.ai" or the "Company") Class A common shares commenced trading on the Canadian Securities Exchange ("CSE") under the trading symbol "YAI".

2. Material Accounting Policy Information

(a) Statement of Compliance

These condensed interim financial statements (the "Condensed Interim Financial Statements") have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34") using accounting policies consistent with IFRS® Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

(b) Basis of Presentation

The Condensed Interim Financial Statements should be read in conjunction with the Company's annual financial statements as at and for the year ended August 31, 2025 (the "Annual Financial Statements"). The accounting policies and critical estimates applied by the Company in the Condensed Interim Financial Statements are the same as those applied in the Annual Financial Statements. The Condensed Interim Financial Statements do not include all the information required for full annual financial statements, however, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the most recent Annual Financial Statements.

The Financial Statements were approved and authorized for issue by the Board of Directors of the Company on July 30, 2026.

3. Prepaid Expenses and Deposits

	Note	May 31, 2026	August 31, 2025
		$	$
Prepaid expenses		83,250	115,250
Prepaid debt issuance costs		28,150	28,150
Prepaid Platform Module Program – YNC	8	395,000	-
Total		**506,400**	**143,400**

(Unaudited - Expressed in Canadian Dollars)

4. Accounts Payable and Accrued Liabilities

	May 31, 2026	**August 31, 2025**
	$	$
Accounts Payable	481,968	108,678
Accrued Liabilities	57,404	104,057
Payroll Liabilities	6,307	9,479
Total	**545,679**	**222,214**

5. Intangible Assets

The following table summarizes the carrying amounts of the Company's intangible assets:

Cost	**IP Rights**
	$
Balance May 31, 2026 and August 31, 2025	**8,739,739**

Accumulated Amortization	**IP Rights**
	$
Balance August 31, 2025	610,584
Amortization	1,089,474
Balance May 31, 2026	**1,700,058**

Carrying Amount	
Balance August 31, 2025	8,129,155
Balance May 31, 2026	**7,039,681**

6. Short-term Investments

The Company's short-term investments consist of shares held in a private company mortgage investment corporation (MIC). As at May 31, 2026, short-term investments are recorded at a fair value of $615,520 (August 31, 2025 – $909,225). Dividend income of $12,944 and $53,830 was earned on the investment during the three and nine months ended May 31, 2026, respectively (three and nine months ended May 31, 2025 – $6,627). During the period ended May 31, 2026, the Company disposed of $335,000 of its short-term investment and recognized proceeds of $335,000. No gain or loss was recognized on the disposal.

(Unaudited - Expressed in Canadian Dollars)

7. Share capital

(a) Authorized

The authorized share capital of the Company is an unlimited number of common shares without par value.

(b) Issued and outstanding

As at May 31, 2026, the Company had 61,907,500 common shares issued and outstanding (August 31, 2025 - 53,737,500 shares).

On January 2, 2026, the Company issued 6,170,000 common shares at a price of $0.25 per common share pursuant to a private placement for gross proceeds of $1,542,500.

On April 9, 2026, the Company issued 260,000 common shares at a price of $0.25 per common share pursuant to a private placement for gross proceeds of $65,000.

On May 4, 2026, the Company issued 1,740,000 common shares at a price of $0.25 per common share pursuant to a private placement for gross proceeds of $435,000.

(c) Warrants

The following table reflects the continuity of warrants for the period ended May 31, 2026.

	Number of warrants	**Weighted average exercise price**
	#	$
Balance, August 31, 2025	2,525,699	0.11
Issued	1,100,000	0.25
Balance, May 31, 2026	**3,625,699**	**0.15**

On September 1, 2025, the company granted an aggregate of 410,000 performance warrants for advisory services. Each warrant is exercisable into one common share of the Company at a price of $0.25 per common share for a period of five years from the date of grant. These warrants shall vest upon the achievement of certain fundraising performance milestones. A fair value of $58,691 was determined using the Black Scholes option pricing model using the following assumptions: share price of $0.25, dividend yield of 0%, expected volatility of 78.58% based on the weighted average volatility of comparable companies, risk-free interest rate of 2.92%, and expected life of five years.

7. Share capital (continued)

(c) Warrants (continued)

On September 15, 2025, the Company granted an aggregate of 180,000 warrants for advisory services. Each warrant is at a price of $0.25 per common share for a period of three years from the date of grant. These warrants shall vest in four equal tranches on a quarterly basis. A fair value of $20,482 was determined using the Black Scholes option pricing model using the following assumptions: share price of $0.25, dividend yield of 0%, expected volatility of 66.28% based on the weighted average volatility of comparable companies, risk-free interest rate of 2.5%, and expected life of three years.

On November 4, 2025, the Company granted an aggregate of 125,000 base warrants for advisory services. Each warrant is exercisable at a price of $0.25 per common share for a period of three years from the date of grant. These warrants shall vest quarterly over twenty-four months, subject to continued engagement. A fair value of $14,291 was determined using the Black Scholes option pricing model using the following assumptions: share price of $0.25, dividend yield of 0%, expected volatility of 66.77% based on the weighted average volatility of comparable companies, risk-free interest rate of 2.43%, and expected life of three years.

On November 4, 2025, the Company granted an aggregate of 35,000 performance warrants for advisory services. Each warrant is exercisable at a price of $0.25 per common share for a period of three years from the date of grant. These warrants shall vest upon the achievement of various performance milestones. A fair value of $4,002 was determined using the Black Scholes option pricing model using the following assumptions: share price of $0.25, dividend yield of 0%, expected volatility of 66.77% based on the weighted average volatility of comparable companies, risk-free interest rate of 2.43%, and expected life of three years.

On December 02, 2025, the Company granted an aggregate of 200,000 base warrants for advisory services. Each warrant is exercisable at a price of $0.25 per common share for a period of three years from the date of grant. These warrants shall vest monthly over twenty-four months, subject to continued engagement. A fair value of $23,133 was determined using the Black Scholes option pricing model using the following assumptions: share price of $0.25, dividend yield of 0%, expected volatility of 67.49% based on the weighted average volatility of comparable companies, risk-free interest rate of 2.59%, and expected life of three years.

On December 02, 2025, the Company granted an aggregate of 100,000 performance warrants for advisory services. Each warrant is exercisable at a price of $0.25 per common share for a period of three years from the date of grant. A fair value of $11,567 was determined using the Black Scholes option pricing model using the following assumptions: share price of $0.25, dividend yield of 0%, expected volatility of 67.49% based on the weighted average volatility of comparable companies, risk-free interest rate of 2.59%, and expected life of three years.

On December 09, 2025, the Company granted an aggregate of 50,000 investment bonus warrants for advisory services. Each warrant is exercisable at a price of $0.25 per common share for a period of four years from the date of grant. These warrants have fully vested upon qualifying investment (CAD 150k+). A fair value of $4,627 was determined using the Black Scholes option pricing model using the following assumptions: share price of $0.25, dividend yield of 0%, expected volatility of 67.49% based on the weighted average volatility of comparable companies, risk-free interest rate of 2.59%, and expected life of four years.

(Unaudited - Expressed in Canadian Dollars)

7. Share capital (continued)

(c) Warrants (continued)

The following table reflects the warrants issued and outstanding as of May 31, 2026:

Expiry Date	Number of warrants	Exercise price	Remaining life (years)	Number of warrants exercisable
	#	$	#	#
December 31, 2028	1,250,500	0.05	2.59	1,156,561
February 28, 2030	1,275,199	0.16	3.75	1,275,199
September 15, 2028	180,000	0.25	2.30	90,000
November 4, 2028	160,000	0.25	2.43	66,250
September 1, 2030	410,000	0.25	4.26	410,000
December 2, 2028	300,000	0.25	2.51	125,000
December 9, 2029	50,000	0.25	2.51	50,000
	3,625,699	**0.15**		**3,173,010**

During the three and nine months ended May 31, 2026, the Company recorded share-based compensation in connection with the vesting of warrants totaling $15,046 and $62,053, respectively (three and nine months ended May 31, 2025 - $28,168). A total of 3,173,010 warrants are exercisable as of May 31, 2026 (August 31, 2025 – 1,905,593).

(Unaudited - Expressed in Canadian Dollars)

7. Share capital (continued)

(d) Restricted stock units ("RSUs")

The following table reflects the continuity of RSUs for the period ending May 31, 2026:

	Number of RSUs
Balance, August 31, 2025	500,000
Granted	600,000
Balance, May 31, 2026	**1,100,000**

On September 1, 2025, the Company granted an aggregate 440,000 RSUs to an officer and to advisors. The fair value of the RSUs granted was $110,000. Of these:

- 100,000 RSUs vest upon the achievement of fundraising performance milestones, and the remaining 40,000 RSUs vest upon the achievement of marketing-related performance milestones.
- 100,000 RSUs vest quarterly over 24 months
- 200,000 RSUs vest monthly over 12 months from the grant date.

On September 15, 2025, the Company granted 120,000 RSUs to an advisor. The fair value of the RSUs granted was $30,000. RSUs vest monthly over 12 months from the grant date.

On December 09, 2025, the Company granted an aggregate 40,000 RSUs to advisors. The fair value of the RSUs granted was $10,000. RSUs vest quarterly over 24 months from the grant date.

During the three and nine months ended May 31, 2026, the Company recorded share-based compensation in connection with the vesting of RSUs totaling $22,287 and $121,533, respectively (three and nine months ended May 31, 2025 - $Nil). A total of 369,163 RSUs are vested as of May 31, 2026 (August 31, 2025 – 16,667).

(e) Stock Options

The Company has a Stock Option Plan which provides that the Board of Directors of the Company may from time to time, at its discretion, and in accordance with the CSE requirements, grant to directors, officers, employees and consultants stock options to purchase common shares of the Company.

The following table reflects the continuity of stock options for the period ended May 31, 2026:

	Number of options	Weighted average exercise price
	#	$
Balance, August 31, 2025	-	-
Granted	700,000	0.25
Balance, May 31, 2026	**700,000**	**0.25**

(Unaudited - Expressed in Canadian Dollars)

7. Share capital (continued)

(e) Stock options (continued)

On September 1, 2025, the Company granted 100,000 stock options to an advisor. Each stock option is exercisable at a price of $0.25 per common share for a period of five years from the date of grant. These stock options vest quarterly over 24 months. A fair value of $16,187 was determined using the Black Scholes option pricing model using the following assumptions: share price of $0.25, dividend yield of 0%, expected volatility of 78.58% based on the weighted average volatility of comparable companies, risk-free interest rate of 2.92%, and expected life of five years.

On September 1, 2025, the Company granted 400,000 stock options to an officer of the Company. Each stock option is exercisable at a price of $0.25 per common share for a period of five years from the date of grant. Stock options vest quarterly (beginning 1 year after the date of grant) for a three-year period. A fair value of $45,710 was determined using the Black Scholes option pricing model using the following assumptions: share price of $0.25, dividend yield of 0%, expected volatility of 66% based on the weighted average volatility of comparable companies, risk-free interest rate of 2.92%, and expected life of five years.

On September 1, 2025, the Company granted 200,000 stock options to an officer of the Company. Each stock option is exercisable at a price of $0.25 per common share for a period of five years from the date of grant. Stock options vest monthly over twelve months from the grant date. A fair value of $13,409 was determined using the Black Scholes option pricing model using the following assumptions: share price of $0.25, dividend yield of 0%, expected volatility of 72.21% based on the weighted average volatility of comparable companies, risk-free interest rate of 2.67%, and expected life of five years.

The following table reflects the options issued and outstanding as of May 31, 2026:

Expiry Date	**Number of options**	**Exercise price**	**Remaining life (years)**	**Number of options exercisable**
	#	$	#	#
September 1, 2030	100,000	0.25	4.26	37,500
September 1, 2030	400,000	0.25	4.26	25,000
September 1, 2030	200,000	0.25	4.26	150,000
	700,000	**0.25**		**212,500**

During the three and nine months ended May 31, 2026, the Company recorded share-based compensation in connection with the vesting of stock options totaling $10,155 and $41,608, respectively (three and nine months ended May 31, 2025 - $Nil). A total of 212,500 stock options are exercisable as of May 31, 2026 (August 31, 2025 – Nil).

8. Related party balances and transactions

Key management includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including the Company's executive officers and members of its Board of Directors.

Transactions

During the three and nine months ended May 31, 2026, key management personnel compensation has been included as an expense under professional fees of condensed interim statements of loss and comprehensive loss for $408,765 and $582,029, respectively (three and nine months ended May 31, 2025 - $Nil).

For the three and nine months ended May 31, 2026, the Company recorded share-based compensation expense of $14,205 and $77,978, respectively (three and nine months ended May 31, 2025 - $Nil), for Aydin Asli, Chief Executive Officer. In addition, for the three and nine months ended May 31, 2026, the Company recorded share-based compensation expense of $10,254 and $40,733, respectively (three and nine months ended May 31, 2025 - $Nil), for Howard Blank, Board & Advisor.

As a result of the 22,000,000 consideration shares issued upon closing of the acquisition (Note 10a), Yocale Network Corporation ("YNC") acquired a 43% ownership interest in the Company. As of May 31, 2026, YNC's ownership interest in the Company was diluted down to 36%.

Concurrently upon close of the acquisition, Yocale.AI entered into a Master Services Agreement with YNC. Under this arrangement, YNC provides hosting, office and administrative support and access to third-party tools and services to Yocale.AI for a fixed monthly fee of $15,000.

During the three and nine months ended May 31, 2026, the Company incurred expenses totaling $45,000 and $135,000 respectively (three and nine months ended May 31, 2025 – $Nil and $30,000, respectively), in relation to the Master Services Agreement, included in the condensed interim statements of loss and comprehensive loss. In addition, included in prepaid expenses and deposits is $Nil as of May 31, 2026 (August 31, 2025 – $60,000) related to advance payments towards the Master Services Agreement.

During the nine months ended, May 31, 2026, the Company engaged YNC for the platform module licence and access program. The program provides for an initial advance of $158,000 plus applicable GST and subsequent advances made from time to time, subject to maximum aggregate consideration of $711,000 plus applicable GST. The advances are allocated to identified program phases and related long-term field-of-use licence rights as the applicable modules are made available to and accepted by the Company. The Company may discontinue the unperformed portion of the program at any time. During the nine months ended May 31, 2026, the Company made payments of $395,000, including initial advance of $158,000, in connection with the program (Note 3).

Balances

As at May 31, 2026, the Company owed total deferred consideration payable to YNC of $2,390,428 (August 31, 2025 – $3,014,008) (Note 10a).

Included in accounts payable and accrued liabilities are amounts owing to a company controlled by Sheri Rempel, Chief Financial Officer, relating to consulting and accounting services provided during the period ended May 31, 2026 for $8,750 (August 31, 2025 – $Nil) (Note 4).

9. Fair Value and Financial Risk Management

As at May 31, 2026, the Company's financial instruments consist of cash which is measured at FVTPL and accounts payable and accrued liabilities and deferred consideration payable which were measured at amortized cost. The carrying amounts of cash and accounts payable approximate fair value due to their immediate or short-term maturity. The carrying values of deferred consideration payable was measured at the effective interest rate which approximate fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

The Company uses the following hierarchy for determining fair value measurements:

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

During the year, there were no transfers of amounts between level 1, 2 and 3 of the fair value hierarchy.

Cash was measured using Level 1 inputs.

The Company is exposed to a variety of financial instrument related risks. The Board mitigates these risks by assessing, monitoring and approving the Company's risk management processes.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's exposure to credit risk is primarily attributed to cash and cash equivalents. As at May 31, 2026, the balance of cash held on deposit was $724,915 (August 31, 2025 - $601,465). The Company has assessed the credit risk on its cash as low as its funds are held in large Canadian financial institutions.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations associated with its financial liabilities as they come due. The Company's approach to managing liquidity risk is to ensure that it has sufficient liquidity to settle obligations and liabilities when they are due. The Company's accounts payable and accrued liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms. The terms of the deferred consideration payable is outlined in Note 10. In the long-term, the Company may have to issue additional equity to ensure there is sufficient capital to meet long-term objectives.

(Unaudited - Expressed in Canadian Dollars)

9. Financial Risk Management (continued)

(b) Liquidity risk (continued)

On December 31, 2024, the Company entered into a convertible loan agreement with Edgewater Advisory Group Inc. ("Edgewater"), whereby Edgewater agreed to make available to the Company, upon written demand, a standby convertible loan facility of up to $1,000,000. The availability period is defined as the period commencing on the effective date (December 31, 2024) and ending on the earlier of: (a) twenty-four months following the effective date (December 31, 2026); and (b) twelve months following the closing of a listing transaction, pursuant to which the Company's common shares become listed for trading on a recognized Canadian stock exchange. Amounts advanced under the convertible loan facility shall bear interest at eight percent (8%) per annum, calculated annually and not in advance, until repayment or conversion.

The outstanding principal and accrued interest under the convertible loan facility shall be convertible, at the option of Edgewater, into common shares of the Company as follows:

i. If drawn within six months of the listing transaction closing, at a price per share equal to the listing price; and
ii. If drawn thereafter, at a price per share equal to the greater of:
    a. The listing price; and
    b. Seventy-five percent (75%) of the VWAP (20-day volume-weighted average price of the Company's common shares on the exchange on which such shares are listed, calculated as of the trading day immediately preceding the applicable drawdown).

As of May 31, 2026, the Company has not drawn down on the convertible loan facility.

As of May 31, 2026, the Company's contractual obligations consist of:

	Total	**<1 year**	**1 - 3 years**	**3 – 5 years**
	$	$	$	$
Accounts payable and accrued liabilities	545,679	545,679	-	-
Deferred consideration payable	3,156,885	-	2,940,000	216,885
	3,702,564	**545,679**	**2,940,000**	**216,885**

9. Financial Risk Management (continued)

(c) Market Risk

Market risk is the risk that a financial instrument's fair value or future cash flows will fluctuate because of changes in market prices. Market risk comprises three types of risk: price risk, interest rate risk, and foreign currency risk.

i. Price risk
Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in equity prices or market prices (other than those arising from interest rate). The short-term investments held by the Company are subject to normal fluctuations and the risks inherent in investment in financial markets. The maximum risk resulting from financial instruments held by the Company are equivalent to the fair value of the financial instruments. Management moderates this risk by employing experienced management who closely monitor individual equity movements and the stock market, and investment activities of the Company on a regular basis.

ii. Interest rate risk
Interest rate risk is the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has cash and cash equivalents balances. The Company's current policy is to invest excess cash in guaranteed investment certificates or interest-bearing accounts of major Canadian chartered banks. The Company regularly monitors compliance with its cash management policy. Management believes interest rate risk to be minimal.

iii. Foreign currency risk
The Company is not exposed to any significant foreign exchange risk.

10. Asset Acquisition

(a) Acquisition of Intellectual Property – Yocale Network Corporation

On March 31, 2025, the Company entered into an IP Assignment and Co-Ownership Agreement with YNC to acquire an undivided interest in certain intellectual property. The intellectual property includes shared rights to the copyrights in the proprietary software, a domain name, logo and trademarks. The acquired intellectual property forms the basis of the Company's digital platform and will be used to operate the principal business of the Company.

In accordance with IFRS 3 – Business Combinations, the Company concluded that the assets acquired from YNC did not meet the definition of a business. Accordingly, the transaction has been accounted for as an asset acquisition, measured under IFRS 2 – Share-based Payment.

Pursuant to the terms of the agreement, the Company issued an aggregate of 22,000,000 common shares of the Company to YNC and agreed to pay a monthly amount of $140,000 in deferred consideration over a period of 40 months beginning on April 1, 2025, for an aggregate amount of $5,600,000 in cash. The fair value of consideration transferred, consisting of the fair value of common shares issued ($4,400,000) and the present value of deferred consideration ($4,207,578), totaled $8,607,578. This amount was allocated to intangible assets acquired. Additionally, transaction costs of $132,161 were incurred in connection with the acquisition and were capitalized to the intangible assets.

(Unaudited - Expressed in Canadian Dollars)

10. Asset Acquisition (continued)

(a) Acquisition of Intellectual Property – Yocale Network Corporation (continued)

The deferred cash consideration was discounted using a market interest rate of 11% based upon the Company's estimated credit rating.

Prior to closing of the acquisition, it is noted that:
- The Company and YNC had certain mutual shareholders.
- Certain members of key management of YNC were minority shareholders in both the Company and YNC.
- An entity holding a 51% ownership interest in the Company had certain members of key management who were also members of key management of YNC.

The identified relationships did not constitute the parties being related in accordance with IAS 24 – Related Party Disclosures, and thus the acquisition is not deemed a related party transaction.

During the nine months ended May 31, 2026, the Company revised the estimated future cash outflows related to its deferred consideration payable to YNC.

The Company assessed the modification in accordance with IFRS 9 and concluded that the changes did not result in derecognition of the financial liability, as the modification was not considered substantial. Accordingly, the Company recalculated the gross carrying amount of the liability by discounting the modified contractual cash flows using the original effective interest rate.

As a result of this reassessment, the Company recognized a loss on debt modification of $105,392 in the condensed interim statements of loss and comprehensive loss during the nine months ended May 31, 2026. The loss is presented within other items as loss on modification of deferred consideration payable.

Following the modification, the carrying amount of the liability was adjusted.

Reconciliation of the deferred consideration payable:

	May 31, 2026	August 31, 2025
	$	$
Balance, August 31, 2025	3,014,008	-
Additions	-	4,207,578
Loss on modification	105,392	-
Repayments	(980,000)	(1,400,000)
Accretion expense	251,028	206,430
Balance, May 31, 2026	**2,390,428**	**3,014,008**
Current portion	-	41,795
Non-current portion	2,390,428	2,972,213
Total	**2,390,428**	**3,014,008**

(Unaudited - Expressed in Canadian Dollars)

10. Asset Acquisition (continued)

(b) Acquisition of Blockchain Assets – Victory Square Technologies Inc

On March 31, 2025, the Company completed the acquisition of certain blockchain assets for integration with the Company's digital platform from Victory Square Technologies Inc. ("VST") pursuant to an Asset Purchase Agreement.

In accordance with IFRS 3 – Business Combinations, the Company concluded that the blockchain technology acquired from VST did not meet the definition of a business. The acquisition was recorded in the statements of loss and comprehensive loss as the acquired blockchain technology did not meet the intangible asset recognition criteria in accordance with IAS 38 – Intangible Assets, which required judgment specifically in assessing whether the acquired blockchain technology would provide probable future economic benefits to the entity.

As consideration, the Company issued 4,000,000 common shares of the Company to VST, with a fair value of $800,000. This amount was recorded in the statements of loss and comprehensive loss. Additionally, transaction costs of $22,000 were incurred in connection with the acquisition and were recorded in the statements of loss and comprehensive loss.

11. Supplemental Cash Flow Information

During the nine months ended May 31, 2026 and 2025, the Company entered into the following significant transactions that did not involve cash and have therefore been excluded from the condensed interim statements of cash flows:

	Notes	Nine months ended May 31, 2026	Nine months ended May 31, 2025
		$	$
Common shares issued as consideration for intellectual property acquired	10(a)	-	4,400,000
Deferred consideration payable recognized on the acquisition of intellectual property, measured at present value	10(a)	-	4,207,578
Common shares issued as consideration for blockchain assets acquired	10(b)	-	800,000
Warrants issued as debt issuance costs in connection with the convertible loan facility, capitalized to prepaid expenses and deposits with an offsetting credit to contributed surplus	7(c),9	-	28,150

12. Management of Capital Risk

The Company's objectives when managing capital are to maintain adequate levels of funding to support its on-going activities and to maintain corporate and administrative functions necessary to support operational activities, so that it can provide returns to shareholders and benefits to other stakeholders.

The Company considers the items included in equity as capital. The Company manages the capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through equity offerings or return capital to shareholders.

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. There were no changes in the Company's approach to capital management during the period ended May 31, 2026, and year ended August 31, 2025.

13. Segmented Information

The Company operates as a single reportable segment. Management evaluates financial performance and allocates resources, as all activities relate to the development and commercialization of the Company's AI platform. Accordingly, no additional segmented disclosures are required under IFRS 8.

14. Subsequent Event

On July 10, 2026, the Company completed a non-brokered private placement, raising $1,735,606 through the issuance of 3,615,846 units at $0.48 per unit. Each unit consisted of one Class A common share of the Company and one common share purchase warrant. Each warrant entitles the holder to acquire one additional Share at an exercise price of $0.85 per Share for a period of thirty months from the closing date and is subject to an acceleration provision in accordance with its terms.

In connection with the non-brokered private placement, the Company paid aggregate cash finder's fees of approximately $76,202 and issued 83,135 non-transferable finder's warrants to eligible finders. Each finder's warrant entitles the holder to acquire one Share at an exercise price of $0.85 per Share for a period of 30 months from the closing date, subject to acceleration of the expiry date.

SCHEDULE C

Yocale.AI Inc.

(formerly Vivasync Solutions Inc.)

Management's Discussion and Analysis

Three and Nine months ended May 31, 2026 and 2025
(In Canadian dollars)

Management's Discussion & Analysis

1. Introduction

This Management's Discussion and Analysis (the "MD&A") of the financial condition and results of operations of Yocale.AI Inc. (formerly Vivasync Solutions Inc.) ("Yocale.ai" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the nine months ended May 31, 2026.

The MD&A should be read in conjunction with the unaudited condensed interim financial statements and related notes thereto (the "**Interim Financial Statements**") of the Company for the three and nine months ended May 31, 2026, which were prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("**IAS 34**") using accounting policies consistent with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("IASB"), and the annual audited financial statements for the year ended August 31, 2025, and the notes related thereto (the "**Annual Financial Statements**"), which were in accordance with IFRS.

This MD&A may contain forward-looking statements and should be read in conjunction with the cautionary statement on forward-looking statements below. These forward-looking statements are based on assumptions and judgments of management regarding events or results that may prove to be inaccurate resulting from risk factors beyond its control. Actual results may differ materially from the expected results.

These financial statements were approved by the Board of Directors on July 30, 2026. Additional information will be available on SEDAR+.

2. Forward-Looking Statements

The Company cautions readers regarding forward-looking statements found in this MD&A and in any other statement made by, or on the behalf of the Company. Statements that are not reported financial results or other historical information are forward-looking statements or forward-looking information within the meaning of applicable securities laws (collectively, "**Forward-looking statements**"). This MD&A includes forward-looking statements regarding the Company and the industries in which the Company operates, including statements about, among other things, expectations, beliefs, plans, future operations of the Company and acquisition opportunities for the Company, business and acquisition strategies, opportunities, objectives, prospects, assumptions, including those related to trends and prospects, and future events and performance. Sentences and phrases containing or modified by words such as "anticipate", "plan", "continue", "estimate", "intend", "expect", "may", "will", "project", "predict", "potential", "targets", "projects", "is designed to", "strategy", "should", "believe", "contemplate" and similar expressions, and the negative of such expressions, are not historical facts and are intended to identify forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Forward-looking statements should not be read as guarantees of future events, future performance or results, and will not necessarily be accurate indicators of the times at, or by which, such events, performance or results will be achieved, if achieved at all. Forward-looking statements are based on information available at the time and/or management's expectations with respect to future events that involve a number of risks and uncertainties, any of which could cause actual results to differ materially from those expressed in or implied by the forward-looking statements. The factors described under the heading "*Risks and Uncertainties*", as well as any other cautionary language in this MD&A, provide examples of risks, uncertainties and events that may cause the Company's actual results to differ materially from the expectations it describes in its forward-looking statements. Readers should be aware that the occurrence of the events described in these risk factors and elsewhere in this MD&A could have an adverse effect on, among other things, the Company's business, prospects, operations, results of operations and financial condition.

3. Company Overview

The Company was incorporated pursuant to the Business Corporations Act (British Columbia) on July 13, 2021, as M2 Marketing Corp. On February 12, 2025, the Company changed its name to Vivasync Solutions Inc. On July 1, 2025, the Company changed its name to Yocale.AI Inc.

The Company's registered address is located at 2900-550 Burrard Street, Vancouver, British Columbia V6C 0A3 and principal place of business is located at 350-889 Harbourside Drive, North Vancouver, British Columbia V7P 3S1.

On May 7, 2026, the Company's Class A common shares commenced trading on the Canadian Securities Exchange ("CSE") under the trading symbol "YAI".

The Company's principal business is to operate and develop a vertical scheduling, business management, and payments software platform focused on the beauty and wellness segment. Yocale.AI co-owns its digital platform through an IP Assignment and Co-Ownership Agreement and intends to specifically enhance its capabilities to be used for the beauty and wellness services industry.

The Company's AI-enabled operating system unifies scheduling, CRM, POS, payments, analytics and automation into a single configurable environment designed to streamline operations, client engagement and revenue growth.

Yocale.AI integrates three core pillars:

1. Proven business-management foundation – acquired through an IP Co-Ownership Agreement with Yocale Network Corporation ("YNC"), providing the underlying scheduling, CRM, POS and payments infrastructure.

2. Digital-platform and blockchain assets – acquired from Victory Square Technologies Inc. (VST) to enhance data integrity, interoperability and transaction security across beauty-tech ecosystems.

3. Innovative AI Automation layer augmentation of AI powered tools to enhance the platform with intelligent workflow automation, digital assistants and data-driven insights designed to reduce administrative work and help business owners focus more of their time on serving clients.

Together, these elements are intended to form a vertically specialized operating system that automates operations, integrates payments, and applies artificial intelligence to help beauty and wellness businesses scale efficiently and deliver exceptional client experiences.

4. Industry Context

The global beauty and wellness technology market is undergoing rapid digitization, driven by increasing consumer demand for online booking, personalized experiences and AI-powered automation.

According to Fortune Business Insights (2026), the global beauty and wellness market was valued at USD 1.86 trillion in 2026 and is projected to reach nearly USD 3.99 trillion by 2034, representing a compound annual growth rate (CAGR) of approximately 9%. Similarly, the Global Wellness Institute (2025) projects continued expansion in digital wellness and beauty technology, supported by rising adoption of AI, mobile payments and data-driven personalization across service industries. This sustained growth underscores the opportunity for specialized technology providers focused on digital transformation within the beauty and wellness sector.

Yocale.AI differentiates itself through its AI-enabled operating system, deep configuration, and embedded payments, which incorporate best practices and are specifically designed for beauty and wellness enterprises.

5. Corporate Milestones

- On May 7, 2026, the Yocale.ai Inc. ("Yocale.ai" or the "Company") Class A common shares commenced trading on the Canadian Securities Exchange ("CSE") under the trading symbol "YAI".
- Completed multiple private placements through Arete Venture Fund (VCC) Corp., providing growth capital.
- Executed the IP Co-Ownership Agreement and Master Services Agreement (MSA) with Yocale Network Corporation ("YNC") on March 31, 2025.
- Completed the VST digital-asset acquisition on March 31, 2025.
- Entered a $1 million convertible-loan facility with Edgewater Advisory Group Inc. (undrawn as of nine months ended May 31, 2026).
- On March 1, 2026, the Company commenced a platform module licence and access program with YNC.

  Platform Module Licence Program - Product and Commercialization Strategy

  Consistent with the Company's previously disclosed product and commercialization milestones, management assessed the product workflows, commercial-readiness requirements and additional functionality expected to support the launch, customer acquisition and revenue model of its beauty-and-wellness offering. Effective March 1, 2026, the Company commenced a platform module licence and access program with Yocale Network Corporation ("YNC") under which identified modules from YNC's broader multi-vertical platform are made available to the Company in phases together with long-term rights to use and commercialize those modules within the beauty-and-wellness field.

Management selected this approach because it represented the most economically advantageous, cost-effective and execution-efficient course available to the Company compared with independently assembling and funding equivalent architecture, product management, design, engineering, payments and quality-assurance capabilities. The licensed modules are integrated into the platform the Company already co-owns, allowing the Company to enhance its planned subscription, payment and other commercial offerings for prospective and future customers without duplicating an established broader technology platform. The module groups support previously disclosed priorities including embedded payments, stored value and credits, buy-now-pay-later functionality, payment reconciliation, customer retention, workflow automation and marketplace capabilities.

The program provides for an initial advance of $158,000 plus applicable GST and subsequent advances made from time to time, subject to maximum aggregate consideration of $711,000 plus applicable GST. Advances may be settled individually or through irregular or combined instalments and are applied to the commercial value allocated to applicable program phases and related long-term field-of-use licence rights as the modules are made available to and accepted by the Company. The arrangement is not a recurring monthly fee or minimum commitment, and the Company may discontinue the unperformed portion of the program at any time.

As at May 31, 2026, the first program phase — comprising memberships, recurring packages and commissions; retention automation and buy-now-pay-later functionality; integrated payments; invoicing; and gift-card and stored-value functionality — had been enabled within the platform, tested and demonstrated, supported by available documentation, and made available to the Company for intended use. The second phase, including coupons and promotional functionality and enhanced payment reconciliation, reporting and payout workflows, is targeted for completion within a window from August 31 to September 30, 2026, depending on delivery progress. Any optional third phase will consist only of additional modules elected by the Company from functionality YNC makes available from its independently managed broader platform roadmap, with scope, timing and consideration documented separately.

6. Results of Operations

	Three months ended May 31,		Nine months ended May 31,	
	2026	2025	2026	2025
	$	$	$	$
Operating expenses				
Amortization	367,149	125,383	1,089,474	125,383
Professional fees	429,553	-	850,315	1,312
Salaries and wages	73,967	28,543	262,270	28,543
General & administrative expense	83,522	17,599	177,502	17,622
Share-based compensation	47,488	28,168	225,194	28,168
Total operating expenses	**(1,001,679)**	**(199,693)**	**(2,604,755)**	**(201,028)**
Other items				
Dividend income	12,944	6,627	53,830	6,627
Interest income	4,529	4,099	9,339	4,099
Accretion expense	(80,273)	(94,673)	(251,028)	(94,673)
Acquisition of VST blockchain technology	-	(822,000)	-	(822,000)
Loss on modification of deferred consideration payable	-	-	(105,392)	-
Total other items	**(62,800)**	**(905,947)**	**(293,251)**	**(905,947)**
Loss and comprehensive loss	**(1,064,479)**	**(1,105,640)**	**(2,898,006)**	**(1,106,975)**

Three months ended May 31, 2026 and 2025

The Company has not generated any revenue from its core operations during the period. Net loss and comprehensive loss for the three months ended May 31, 2026 was $1,064,479 compared to $1,105,640 in the comparable period. The decrease in net loss of $41,161 during the three months ended May 31, 2026, was primarily attributable to the following:

Operating Expenses

Operating expenses increased by $801,986 for the three months ended May 31, 2026, primarily due to increased business activity during the current period. Key components of operating expenses included:

- Amortization of intellectual property rights of $367,149, compared to $125,383 in the prior year period since intellectual property was acquired later in Q3 2025.
- Professional fees of $429,553, mainly related to legal and audit services associated with the Company's prospectus filing and CSE listing, compared to $Nil legal and audit activity during prior year period.
- Salaries and wages of $73,967, compared to $28,543 in the prior year period, reflecting increased personnel to support business operations in the current period.
- General and administrative expenses of $83,522, primarily consisting of computer-related costs, including hardware and software upgrades, compared to $17,599 in the prior year period, reflecting increased activity to support business operations in the current period.
- Share-based compensation of $47,488, related to the vesting of warrants, stock options, and RSUs granted to the CEO and advisors, compared to $28,168 related to the vesting of warrants in the prior year period.

Other Income and Expenses

Expenses from other items exceeded related income by $62,800 for the three months ended May 31, 2026 and $905,947 for the three months ended May 31, 2025, primarily because income generated from these items was insufficient to offset associated expenses. Key components included:

- Accretion expense of $80,273, compared to $94,673 in the prior year period, related to deferred consideration payments arising from the Intellectual property assignment and co-ownership agreement with YNC.
- Acquisition of VST blockchain technology of $822,000 during prior year end.

Nine months ended May 31, 2026 and 2025

The Company has not generated any revenue from its core operations during the period. Net loss and comprehensive loss for the nine months ended May 31, 2026 was $2,898,006 compared to $1,106,975 in the comparable period. The increase in net loss of $1,791,031 during the nine months ending May 31, 2026, was primarily attributable to the following:

Operating Expenses

Operating expenses increased by $2,403,727 for the nine months ended May 31, 2026, primarily due to increased business activity during the current period. Key components of operating expenses included:

- Amortization of intellectual property rights of $1,089,474, compared to $125,383 in the prior year period, since intellectual property was acquired later in Q3 2025.
- Professional fees of $850,315, mainly related to legal and audit services associated with the Company's prospectus filing and CSE listing, compared to $1,312 legal and audit activity during prior year period.
- Salaries and wages of $262,270, compared to $28,543 in the prior year period reflecting increased personnel to support business operations.
- General and administrative expenses of $177,502, primarily consisting of computer-related costs, including hardware and software upgrades, compared to $17,622 in the prior year period, reflecting increased activity to support business operations in the current period.
- Share-based compensation of $225,194, related to the vesting of warrants, stock options and RSUs granted to the CEO and advisors under the Company's equity incentive plans, compared to $28,168 related to the vesting of warrants in the prior year period.

Other Income and Expenses

Expenses from other items exceeded related income by $293,251 for the nine months ended May 31, 2026, and $905,947 for the nine months ended May 31, 2025, primarily because income generated from these items was insufficient to offset associated expenses. Key components included:

- Accretion expense of $251,028, compared to $94,673 in the prior year period, related to deferred consideration payments arising from the Intellectual property assignment and co-ownership agreement with YNC.
- Loss on modification of deferred consideration payable of $105,392 arising from the November 30, 2025 amendment of YNC payment schedule Q1 2026.
- Dividend income from short-term investments of $53,830, compared to $6,627 in the prior year period.
- Acquisition of VST blockchain technology of $822,000 during prior year end.

7. Summary of Quarterly Results

The following table sets forth selected quarterly information of the Company for each of the last eight quarters:

Three months ended	Q3 2026	Q2 2026	Q1 2026	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024
Net loss and comprehensive loss	$ (1,064,479)	$ (887,480)	$ (946,047)	$ (905,674)	$ (1,105,640)	$ (23)	$ (1,312)	$ (945)
Income (loss) per share - basic and diluted	$ (0.02)	$ (0.02)	$ (0.02)	$ (0.02)	$ (0.03)	$ (0.00)	$ (0.00)	$ (0.00)
Weighted average number of shares - outstanding	60,572,065	57,713,722	53,737,500	52,133,152	41,146,467	9,747,253	5,000,000	3,695,652

Net loss for the three months ended May 31, 2026 was $1,064,479, reflecting continued increase in business activity driven by the Company's listing to the CSE. Operating costs were higher during this quarter, driven by higher professional fees, salaries and advertising and marketing expenses and share-based compensation.

Net loss for the three months ended February 28, 2026 was $887,480, lower than the prior quarter due to higher accretion expenses and loss recorded related to the modification of deferred consideration payable in previous quarter.

Net loss for the three months ended November 30, 2025 was $946,047 mainly due to higher amortization, professional fees, and accretion charges. During this quarter, the Company also recognized a $105,392 loss related to the modification of deferred consideration payable.

Net loss for the three months ended August 31, 2025 was $905,674, lower than the prior quarter as the non-recurring VST charge did not repeat. This decrease was partially offset by the first full quarter of IP amortization and increased operating expenses.

Net loss for the three months ended May 31, 2025 was $1,105,640, primarily due to two non-recurring acquisition-related charges. These included $822,000 associated with the acquisition of blockchain technology from VST, which did not meet the recognition criteria for intangible assets under IAS 38 and was therefore expensed directly to the statement of loss and comprehensive loss.

Net losses for the three months ended August 31, 2024 of $945, November 30, 2024 of $1,312, and February 28, 2025 of $23 were nominal, reflecting only incidental general administrative costs during the Company's early operating stage.

8. Liquidity and Capital Resources

The Company manages liquidity risk by seeking to maintain sufficient capital to meet its working capital requirements, operating expenses and financial obligations as they become due. Historically, the Company has financed its operations primarily through equity financings and, to a lesser extent, debt arrangements.

The Company's ability to continue its development and commercialization activities will depend on management's ability to secure additional financing on reasonable terms and ultimately generate positive operating cash flow. Management regularly reviews the Company's cash position and capital requirements and expects that additional financing will be required to support future growth and commercialization initiatives.

The Company's business involves a high degree of risk, and there can be no assurance that its platform development, product initiatives or commercialization efforts will be successful, or that the time required to achieve meaningful operating results may be longer than anticipated. In addition, there can be no assurance that additional financing will be available when required or, if available, that it will be obtained on terms acceptable to the Company.

At May 31, 2026, the Company had current assets in excess of current liabilities of $1,368,022 (August 31, 2025 - $1,490,645) and has no sources of cash from operations. The Company's ability to meet its obligations as they fall due and to continue to operate as a going concern is dependent on the continued financial support of its creditors and the shareholders. There can be no assurance that funding from this or other sources will be sufficient in the future to continue its operations. Even if the Company is able to obtain new financing, it may not be on commercially reasonable terms or terms that are acceptable to the Company.

On May 4, 2026, the Company issued 1,740,000 common shares at a price of $0.25 per common share pursuant to a private placement for gross proceeds of $435,000.

On April 9, 2026, the Company issued 260,000 common shares at a price of $0.25 per common share pursuant to a private placement for gross proceeds of $65,000.

On January 2, 2026, the Company issued 6,170,000 common shares at a price of $0.25 per common share pursuant to a private placement for gross proceeds of $1,542,500.

On December 31, 2024, the Company entered into a convertible loan agreement with Edgewater Advisory Group Inc. ("Edgewater"), whereby Edgewater agreed to make available to the Company, upon written demand, a standby convertible loan facility of up to $1,000,000. The Availability Period is defined as the period commencing on the effective date (December 31, 2024) and ending on the earlier of:

(a) twenty-four (24) months following the effective date (December 31, 2026); and

(b) twelve (12) months following the closing of a listing transaction, pursuant to which the Company's common shares become listed for trading on a recognized Canadian stock exchange.

Amounts advanced under the convertible loan facility shall bear interest at eight percent (8%) per annum, calculated annually and not in advance, until repayment or conversion.

The outstanding principal and accrued interest under the convertible loan facility shall be convertible, at the option of Edgewater, into common shares of the Company as follows:

(a) If drawn within six (6) months of the listing transaction closing, at a price per share equal to the listing price; and

(b) If drawn thereafter, at a price per share equal to the greater of:
(i)The listing price; and

(ii)Seventy-five percent (75%) of the VWAP (20-day volume-weighted average price of the Company's common shares on the exchange on which such shares are listed, calculated as of the trading day immediately preceding the applicable drawdown).

As of May 31, 2026, the Company has not drawn down on the convertible loan facility.

Cash Flow Highlights

The table below summarizes the Company's cash flows for the nine months ended May 31, 2026 and 2025:

	Nine months ended May 31, 2026	**Nine months ended May 31, 2025**
	$	$
Net cash used in operating activities	(1,286,585)	(206,965)
Net cash used in investing activities	(632,465)	(2,032,160)
Net cash provided by financing activities	2,042,500	3,131,500
Increase (decrease)	**123,450**	**892,375**

Cash balance was $724,915 as at May 31, 2026 (August 31, 2025 – $601,465). During the current period, the cash increase is mainly due to the Company's financing activities partially offset by cash used in operating activities.

During the nine months ended May 31, 2026, the Company reported a net increase in cash of $123,450, compared to an increase of $892,375 during the corresponding period ended May 31, 2025, primarily as a result of lower cash used in investing activities compared to the prior year period

During the nine months ended May 31, 2026, cash used in operating activities totalled $1,286,585 compared to cash used in operating activities of $206,965 during the nine months ended May 31, 2025. The higher cash outflows in the current period relate to professional fees, advertising and salaries and wages.

Cash used in investing activities during the nine months ended May 31, 2026, was $632,465 compared to $2,032,160 in the prior year period. The current period reflects higher payments for the IP rights, partially offset by the proceeds received from the disposal of an investment. The cash used in investing activities in the prior year was mainly attributable to the purchase of an investment.

Cash provided by financing activities during the nine months ended May 31, 2026, was $2,042,500 compared to cash inflow by financing activities of $3,131,500 with both periods reflecting the financing raised by the Company.

9. Major Transactions

(a) Acquisition of Intellectual Property – Yocale Network Corporation

On March 31, 2025, the Company entered into an Intellectual Property Assignment and Co-Ownership Agreement with YNC pursuant to which the Company acquired an undivided co-ownership interest in certain intellectual property assets. These assets include proprietary software code and related intellectual property, together with certain trademarks, domain names and logos associated with the platform. These intellectual property assets form the technological foundation of the Company's digital platform and support the Company's principal business operations.

In accordance with IFRS 3 – Business Combinations, the Company concluded that the assets acquired from YNC did not meet the definition of a business. Accordingly, the transaction has been accounted for as an asset acquisition, measured under IFRS 2 – Share-based Payment.

Pursuant to the terms of the agreement, the Company issued an aggregate of 22,000,000 common shares of the Company to YNC and agreed to pay a monthly amount of $140,000 in deferred consideration over a period of 40 months beginning on April 1, 2025, for an aggregate amount of $5,600,000 in cash. The fair value of consideration transferred, consisting of the fair value of common shares issued ($4,400,000) and the present value of deferred consideration ($4,207,578), totaled $8,607,578. This amount was allocated to intangible assets acquired. Additionally, transaction costs of $132,161 were incurred in connection with the acquisition and were capitalized to the intangible assets.

The deferred cash consideration was discounted using a market interest rate of 11% based upon the Company's estimated credit rating.

Prior to closing of the acquisition, it is noted that:

- The Company and YNC had certain mutual shareholders.
- Certain members of key management of YNC were minority shareholders in both the Company and YNC.
- An entity holding a 51% ownership interest in the Company had certain members of key management who were also members of key management of YNC.

The identified relationships did not constitute the parties being related in accordance with IAS 24 – Related Party Disclosures and thus the acquisition is not deemed a related party transaction.

During the nine months ended, May 31, 2026, the Company revised the estimated future cash outflows related to its deferred consideration payable to YNC.

The Company assessed the modification in accordance with IFRS 9 and concluded that the changes did not result in derecognition of the financial liability, as the modification was not considered substantial. Accordingly, the Company recalculated the gross carrying amount of the liability by discounting the modified contractual cash flows using the original effective interest rate.

As a result of this reassessment, the Company recognized a loss on debt modification of $105,392 in the Condensed Interim Statements of Loss and Comprehensive loss during the nine months ended May 31, 2026. The loss is presented within other items as "Loss on Modification of deferred consideration payable".

Following the modification, the carrying amount of the liability was adjusted.

Reconciliation of the deferred consideration payable:

	May 31, 2026	August 31, 2025
	$	$
Balance, August 31, 2025	3,014,008	-
Additions	-	4,207,578
Loss on modification	105,392	-
Repayments	(980,000)	(1,400,000)
Accretion expense	251,028	206,430
Balance, May 31, 2026	**2,390,428**	**3,014,008**
Current portion	-	41,795
Non-current portion	2,390,428	2,972,213
Total	**2,390,428**	**3,014,008**

(b) Acquisition of Blockchain Assets – Victory Square Technologies Inc.

On March 31, 2025, the Company completed the acquisition of certain blockchain assets for integration with the Company's digital platform from Victory Square Technologies Inc. ("VST") pursuant to an Asset Purchase Agreement.

In accordance with IFRS 3 – Business Combinations, the Company concluded that the blockchain technology acquired from VST did not meet the definition of a business. The acquisition was recorded in the statements of loss and comprehensive loss as the acquired blockchain technology did not meet the intangible asset recognition criteria in accordance with IAS 38 – Intangible Assets, which required judgment specifically in assessing whether the acquired blockchain technology would provide probable future economic benefits to the entity.

As consideration, the Company issued 4,000,000 common shares of the Company to VST, with a fair value of $800,000. This amount was recorded in the statements of loss and comprehensive loss. Additionally, transaction costs of $22,000 were incurred in connection with the acquisition and were recorded in the statements of loss and comprehensive loss.

(c) Arete Venture Fund (VCC) Corp.

On January 2, 2026, the Company issued 6,170,000 common shares at a price of $0.25 per common share pursuant to a private placement for gross proceeds of $1,542,500.

On April 9, 2026, the Company issued 260,000 common shares at a price of $0.25 per common share pursuant to a private placement during the nine months period ended May 31, 2026, for gross proceeds of $65,000.

On May 4, 2026, the Company issued 1,740,000 common shares at a price of $0.25 per common share pursuant to a private placement during the nine months period ended May 31, 2026, for gross proceeds of $435,000.

10. Use of Proceeds

The Company has historically financed its operations primarily through equity financings completed on a private placement basis and did not raise any proceeds by way of a prospectus offering during the period ended May 31, 2026. The proceeds of the private placements completed during, and prior to, the period ended May 31, 2026, were designated for investment, strategic growth opportunities, working capital and general corporate purposes. In accordance with Item 1.4 of Form 51-102F1, the following table compares the intended use of proceeds previously disclosed by the Company for each such financing with the actual use of those proceeds for the period ended, May 31, 2026:

Financing	Intended Use of Proceeds	Actual Use of Proceeds	Variance
January 2, 2026 - $1,542,500	For investment, strategic growth opportunies, working capital and general corporate purposes.	-	-
April 9, 2026 - $65,000	For investment, strategic growth opportunies, working capital and general corporate purposes.	-	-
May 4, 2026 - $435,000	For investment, strategic growth opportunies, working capital and general corporate purposes.	-	-
July 10, 2026 - $1,735,606	For investment, strategic growth opportunies, working capital and general corporate purposes.	-	-

The May 2026 financing was completed shortly before the period ended May 31, 2026 and as the financing closed near the period end, the proceeds had not been materially used as of May 31, 2026.

The July 2026 financing occurred subsequent to the May 31, 2026 reporting period and therefore did not impact on the Company's working capital at the reporting date. The proceeds are expected to support the Company's planned platform innovation and product development, pursue of strategic growth opportunities, and near-term working capital requirements.

11. Commitments, Contingencies and Off-Balance Sheet Arrangements

The Company had no material off-balance sheet arrangements as at May 31, 2026, and as at the date of this MD&A, that have, or are reasonably likely to have, a current or future effect on the financial performance or financial condition of the Company.

Commitments consist primarily of obligations under the Master Services Agreement ("MSA") with Yocale Network and ordinary-course agreements for cloud hosting, messaging, and professional services.

12. Transactions with Related Parties

Key management includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including the Company's executive officers and members of its Board of Directors.

Transactions

During the three and nine months ended May 31, 2026, key management personnel compensation has been included as an expense under professional fees of condensed interim statements of loss and comprehensive loss for $408,765 and $582,029, respectively (three and nine months ended May 31, 2025 - $Nil).

For the three and nine months ended May 31, 2026, the Company recorded share-based compensation expense of $14,205 and $77,978, respectively (three and nine months ended May 31, 2025 - $Nil), for Aydin Asli, Chief Executive Officer. In addition, for the three and nine months ended May 31, 2026, the Company recorded share-based compensation expense of $10,254 and $40,733, respectively (three and nine months ended May 31, 2025 - $Nil), for Howard Blank, Board & Advisor.

As a result of the 22,000,000 consideration shares issued upon closing of the acquisition, YNC acquired a 43% ownership interest in the Company. As of May 31, 2026, YNC's ownership interest in the Company was diluted down to 36%.

Concurrently upon close of the acquisition, Yocale.AI entered into a Master Services Agreement with YNC. Under this arrangement, YNC provides hosting, office and administrative support and access to third-party tools and services to Yocale.AI for a fixed monthly fee of $15,000.

During the three and nine months ended May 31, 2026, the Company incurred expenses totaling $45,000 and $135,000 respectively (three and nine months ended May 31, 2025 – $Nil and $30,000, respectively), in relation to the Master Services Agreement, included in the condensed interim statements of loss and comprehensive loss. In addition, included in prepaid expenses and deposits is $Nil as of May 31, 2026 (August 31, 2025 – $60,000) related to advance payments towards the Master Services Agreement.

During the nine months ended, May 31, 2026, the Company engaged YNC for the platform module licence and access program. The program provides for an initial advance of $158,000 plus applicable GST and subsequent advances made from time to time, subject to maximum aggregate consideration of $711,000 plus applicable GST. The advances are allocated to identified program phases and related long-term field-of-use licence rights as the applicable modules are made available to and accepted by the Company. The Company may discontinue the unperformed portion of the program at any time. During the nine months ended May 31, 2026, the Company made payments of $395,000, including initial advance of $158,000, in connection with the program.

Balances

As at May 31, 2026, the Company owed total deferred consideration payable to YNC of $2,390,428 (August 31, 2025 – $3,014,008)

Included in accounts payable and accrued liabilities are amounts owing to a company controlled by Sheri Rempel, Chief Financial Officer, relating to consulting and accounting services provided during the period ending May 31, 2026 for $8,750 (August 31, 2025 – $Nil).

13. Management of Capital Risk

The Company's objectives when managing capital are to maintain adequate levels of funding to support its on-going activities and to maintain corporate and administrative functions necessary to support operational activities, so that it can provide returns to shareholders and benefits to other stakeholders.

The Company considers the items included in equity as capital. The Company manages the capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through equity offerings or return capital to shareholders. 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. There were no changes in the Company's approach to capital management during the period ended May 31, 2026 and year ended August 31, 2025.

14. Critical Accounting Estimates

The preparation of the Annual Financial Statements in conformity with IFRS requires management to make judgments, estimates and assumptions which affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Estimates are based on historical experience, and other factors considered to be reasonable and are reviewed on an ongoing basis. Actual results may differ from these estimates.

Significant areas include:

Useful lives of intangible assets: Estimated at 6 years (IP), based on expected technological and commercial relevance.

Discount rate for deferred consideration: 11%, reflecting market borrowing rates for comparable early-stage technology companies.

Valuation of warrants: Calculated using the Black-Scholes model with assumptions regarding volatility, risk-free rate and expected life.

Going-concern assessment: Based on projected cash flows, capital-raising plans and the availability of external funding.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized when the estimates are revised and in any future periods affected.

15. New Accounting Pronouncements

The Company has performed an assessment of new standards issued by the IASB that are not yet effective and has determined that any new standards that have been issued would have no or very minimal impact on the Company's condensed interim financial statements.

16. Strategy and Outlook

For FY 2026 management plans to:

1. Commercialize its AI automation suite
2. Launch memberships, packages, gift cards, and coupons;
3. Expand Yocale Pay (card-present and card-not-present);
4. Scale regional partnerships on a milestone basis; and
5. Strengthening internal controls for public compliance

17. Financial Instruments

As at May 31, 2026, the Company's financial instruments consist of cash which is measured at FVTPL and accounts payable and accrued liabilities and deferred consideration payable which were measured at amortized cost. The carrying amounts of cash and accounts payable approximate fair value due to their immediate or short-term maturity. The carrying values of deferred consideration payable was measured at the effective interest rate which approximate fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

The Company uses the following hierarchy for determining fair value measurements:

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

During the year, there were no transfers of amounts between level 1, 2 and 3 of the fair value hierarchy.

Cash was measured using Level 1 inputs.

The Company is exposed to a variety of financial instrument related risks. The Board mitigates these risks by assessing, monitoring and approving the Company's risk management processes.

18. Risks and Uncertainties

The Company's business is subject to risks and uncertainties that may have a material adverse effect on the Company's business, assets, liabilities, financial condition, results of operations, prospects and cash flows and the future trading price of the common shares.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's exposure to credit risk is primarily attributed to cash and cash equivalents. As at May 31, 2026, the balance of cash held on deposit was $724,915 (August 31, 2025 - $601,465). The Company has assessed the credit risk on its cash as low as its funds are held in large Canadian financial institutions.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations associated with its financial liabilities as they come due. The Company's approach to managing liquidity risk is to ensure that it has sufficient liquidity to settle obligations and liabilities when they are due. The Company's accounts payable and accrued liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms. The terms of the deferred consideration payable is payable monthly starting September 2027 over a period of 23 months. In the long-term, the Company may have to issue additional equity to ensure there is sufficient capital to meet long-term objectives.

As of May 31, 2026, the Company's contractual obligations consist of:

	Total	**<1 year**	**1 - 3 years**	**3 – 5 years**
	$	$	$	$
Accounts payable and accrued liabilities	545,679	545,679	-	-
Deferred consideration payable	3,156,885	-	2,940,000	216,885
	3,702,564	**545,679**	**2,940,000**	**216,885**

(c) Market Risk

Market risk is the risk that a financial instrument's fair value or future cash flows will fluctuate because of changes in market prices. Market risk comprises three types of risk: price risk, interest rate risk, and foreign currency risk.

i. Price risk
Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in equity prices or market prices (other than those arising from interest rate). The short-term investments held by the Company are subject to normal fluctuations and the risks inherent in investment in financial markets. The maximum risk resulting from financial instruments held by the Company are equivalent to the fair value of the financial instruments. Management moderates this risk by employing experienced management who closely monitor individual equity movements and the stock market, and investment activities of the Company on a regular basis.

ii. Interest rate risk
Interest rate risk is the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has cash and cash equivalents balances. The Company's current policy is to invest excess cash in guaranteed investment certificates or interest-bearing accounts of major Canadian chartered banks. The Company regularly monitors compliance with its cash management policy. Management believes interest rate risk to be minimal.

iii. Foreign currency risk
The Company is not exposed to any significant foreign exchange risk.

The Company is also subject to a variety of risks typical for early-stage technology ventures:

Early-Stage and Going-Concern Risk: The Company has incurred losses since inception and will require additional financing to achieve profitability.

Execution and Operational Risk: Success depends on the timely rollout of AI capabilities, stable platform performance and retention of skilled technical personnel.

Competitive Risk: The beauty-tech market includes well-funded incumbents such as Vagaro, Fresha and Mindbody. Sustained differentiation through AI innovation and superior user experience is critical.

Regulatory and Compliance Risk: The Company must comply with data-protection laws (PIPEDA, GDPR), payment-card security standards (PCI DSS) and communication regulations (A2P SMS).

Technology and Cybersecurity Risk: Breaches, downtime, or data loss could harm reputation and financial performance.

Partner Risk: Reliance on third-party infrastructure providers (e.g., Stripe, Twilio, cloud vendors) and key strategic relationships introduces dependency risk.

Dilution and Market Risk: Future financings and market volatility could dilute existing shareholders and affect the Company's market capitalization post-listing.

Management continuously monitors these risks and implements mitigation strategies, including insurance coverage, redundancy systems, legal compliance frameworks, and diversified funding sources.

19. Disclosure Controls and ICFR

Management is formalizing policies and testing internal controls over financial reporting to meet public-company standards in FY 2026.

20. Summary of Outstanding Share Data

As at May 31, 2026, the Company had the following issued and outstanding securities:

Description of securities	Number of securities
Issued and outstanding common shares	61,907,500
Warrants	3,625,699
Options	700,000
RSUs	1,100,000
	67,333,199

As at the date of this MD&A, the Company had the following issued and outstanding securities:

Description of securities	Number of securities
Issued and outstanding common shares	65,523,346
Warrants	7,324,680
Options	700,000
RSUs	1,100,000
	74,648,026

21. Proposed Transactions

None during the period ended May 31, 2026.

22. Management Changes

On June 3, 2026, the company appointed Marija Radulovic-Nastic, former Chief Technology Officer of Electronic Arts, to its Advisory Board as Data and Intelligence Advisor.

23. Subsequent event

On July 10, 2026, the Company completed a non-brokered private placement, raising $1,735,606 through the issuance of 3,615,846 units at $0.48 per unit. Each unit consisted of one Class A common share of the Company and one common share purchase warrant. Each warrant entitles the holder to acquire one additional Share at an exercise price of $0.85 per Share for a period of thirty months from the closing date and is subject to an acceleration provision in accordance with its terms.

In connection with the non-brokered private placement, the Company paid aggregate cash finder's fees of approximately $76,202 and issued 83,135 non-transferable finder's warrants to eligible finders. Each finder's warrant entitles the holder to acquire one Share at an exercise price of $0.85 per Share for a period of 30 months from the closing date, subject to acceleration of the expiry date.