# 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" — Director

(Signed) "Aydin Asli" — Director

**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)

(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.