# FORM 5

## QUARTERLY LISTING STATEMENT

Name of Listed Issuer: Redwood AI Corp. (the "Issuer")

Trading Symbol: AIRX

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 Ibecame known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

**General Instructions**

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

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

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

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

**SCHEDULE A: FINANCIAL STATEMENTS**

Financial statements are required as follows:

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

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

Unaudited condensed interim consolidated financial statements of the Issuer for the nine months ended May 31, 2026, as filed with securities regulatory authorities, are attached to this Form 5 - Quarterly Listing Statement 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.

With respect to related party transactions for information supplementary to that contained in the notes to the unaudited condensed interim consolidated financial statements, which are attached hereto, please refer to Management's Discussion & Analysis for the nine-month period ended May 31, 2026, as filed with securities regulatory authorities and attached to this Form 5 - Quarterly Listing Statement as Schedule "B".

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

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

(a) summary of securities issued during the period, and

| Date of Issue | Type of Security | Type of Issue | Number | Price | Total Proceeds / Recorded Value | Type of Consideration | Relationship with Issuer | Commission Paid |
|---|---|---|---|---|---|---|---|---|

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| February 27, 2026 | Common shares | Debt settlement | 236,003 | $1.71 | $403,572 | Settlement of accounts payable and promissory notes | Non-related parties and related parties | Nil |
| During the nine months ended May 31, 2026 | Common shares | Exercise of warrants | 2,180,800 | Various; gross proceeds $626,560 | $626,560 | Cash | Warrant holders | Nil |

**Subsequent Event**

On July 21, 2026, the Issuer closed a private placement of 1,663,000 special warrants at a price of $2.11 per special warrant for gross proceeds of $3,508,930. Each special warrant is exercisable into one unit consisting of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one common share at an exercise price of $2.48 per share for five years following closing. The Issuer also issued 83,150 agent warrants, each exercisable to acquire one common share at $2.48 per share for five years. Each special warrant will be automatically exercised, without additional consideration, into one unit on the earlier of four months and one day following closing and the date a prospectus supplement is filed to qualify the distribution of the units. If the prospectus supplement is not filed on or before the date that is 90 days following closing, each special warrant will instead be exercisable, without additional consideration, for 1.10 units.

(b) summary of options granted during the period.

| Date of Issue | Number | Name of Optionee if related person and relationship | Generic Description of other Optionees | Exercise Price | Expiry Date | Market Price on date of Grant |
|---|---|---|---|---|---|---|
| February 5, 2026 | 50,000 | N/A | Non-related Consultant | $0.50 | February 5, 2029 | $0.50 |

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:

As at May 31, 2026, the authorized capital of the Issuer consisted of an unlimited number of common shares without par value, of which 35,925,553 common shares were issued and outstanding. There is only one class of shares and there are no dividends.

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

| Date | Number of Common Shares | Recorded value of common shares |
|---|---|---|
| May 31, 2026 | 35,925,553 | $12,380,201 |

(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

Options:

As at May 31, 2026, 50,000 options were outstanding at an exercise price of $0.50 per common share and an expiry date of February 5, 2029. None were exercisable at May 31, 2026.

| Expiry Date | Exercise Price |
|---|---|
| February 5, 2029 | $0.50 |

- Total Options Outstanding: 50,000; Total Options Exercisable: nil.
- Weighted Average Exercise Price: $0.50 per share.

Restricted Share Units:

As at May 31, 2026, 1,850,000 restricted share units were outstanding. During the nine months ended May 31, 2026, the Issuer granted 1,850,000 restricted share units, including 400,000 granted to directors. The weighted average grant-date fair value was $5.00 per restricted share unit, and $7,569,075 of share-based compensation was recognized in respect of the restricted share units.

Warrants:

As at May 31, 2026, 4,593,500 warrants were outstanding and exercisable at an exercise price of $0.70 per share, expiring January 30, 2031.

| Issue Date | Exercise Price | Number of Warrants Outstanding and Exercisable | Expiry Date |
|---|---|---|---|
| January 30, 2026 | $0.70 | 4,593,500 | January 30, 2031 |

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

As at May 31, 2026, 18,191,629 common shares were subject to escrow or pooling agreements or other restrictions on transfer.

**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 | Position |
|---|---|
| Louis Dron | CEO |
| Nico Mah | CFO and Corporate Secretary |
| Graydon Bensler | Director |
| Saman Shahrokhi | Director |
| Kristian Thorlund | President and Director |
| Matthew Mingay | Director |
| Masoud Darbandi | Director |

## SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

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

Management's Discussion & Analysis for the nine-month period ended May 31, 2026, as filed with securities regulatory authorities, is attached to this Form 5 - Quarterly Listing Statement as Schedule "B".

**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

Louis Dron
Name of Director or Senior Officer

*"Louis Dron"*
Signature

CEO
Official Capacity

| Issuer Details<br>Name of Issuer<br>Redwood AI Corp. | For Quarter End<br>May 31, 2026 | Date of Report<br>YYYY/MM/DD<br>2026/07/30 |
|---|---|---|
| Issuer Address<br>800-1199 West Hastings Street | | |
| City/Province/Postal Code<br>Vancouver, BC, V6E 3T5 | Issuer Fax No.<br>N/A | Issuer Telephone No.<br>778-238-8714 |
| Contact Name<br>Louis Dron | Contact Position<br>CEO | Contact Telephone No.<br>778-238-8714 |
| Contact Email Address<br>louis@redwoodai.com | Web Site Address<br>www.redwoodai.com | |

**SCHEDULE "A"**

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MAY 31, 2026

# REDWOOD AI CORP.
# (Formerly Marshall Technologies Corp.)

## CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

## NINE MONTHS ENDED MAY 31, 2026 AND 2025

(Expressed in Canadian Dollars)

(UNAUDITED)

**REDWOOD AI CORP.**
**(formerly Marshall Technologies Corp.)**
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

| | Notes | (Unaudited) **May 31, 2026** **$** | (Audited) **August 31, 2025** **$** |
|---|---|---|---|
| **ASSETS** | | | |
| **Current assets** | | | |
| Cash | | 1,093,345 | 22,285 |
| GST receivable | | 65,491 | 24,751 |
| Interest receivable | 4 | - | 5,920 |
| Promissory note receivable | 4 | - | 220,000 |
| Restricted cash | 7 | - | 4,161,989 |
| Prepaid expense | | 538,535 | - |
| | | 1,697,371 | 4,434,945 |
| Equipment | | 4,261 | - |
| **Total assets** | | 1,701,632 | 4,434,945 |
| **LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)** | | | |
| **Current liabilities** | | | |
| Accounts payable and accrued liabilities | 9 | 182,626 | 566,435 |
| Advances payable | 5 | 20,000 | 20,000 |
| Refundable subscription receipts | 7 | - | 4,281,989 |
| Total liabilities | | 202,626 | 4,868,424 |
| **Shareholders' equity (deficit)** | | | |
| Share capital | 7, 8 | 12,380,201 | 18,750 |
| Reserves | 7, 8 | 7,902,366 | - |
| Subscription receipts | 7, 8 | - | 195,000 |
| Deficit | | (18,783,561) | (647,229) |
| Total shareholders' equity (deficit) | | 1,499,006 | (433,479) |
| **Total liabilities and shareholders' equity (deficit)** | | 1,701,632 | 4,434,945 |

Nature of operations and going concern (Note 1)
Subsequent events (Note 12)

Approved and authorized for issuance on behalf of the Board of Directors on July 30, 2026:

*"Matthew Mingay"* *"Kristian Thorlund"*

Matthew Mingay, Director Kristian Thorlund, Director

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

**REDWOOD AI CORP.**
**(formerly Marshall Technologies Corp.)**
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars)
(UNAUDITED)

| | | Three months ended | | Nine months ended | |
|---|---|---|---|---|---|
| | Notes | May 31, 2026 $ | May 31, 2025 $ | May 31, 2026 $ | May 31, 2025 $ |
| **Expenses** | | | | | |
| Advertising | | 580,495 | – | 1,595,288 | 21,000 |
| Consulting fees | 9 | 14,360 | – | 212,143 | – |
| Cloud computing | | 6,551 | – | 8,043 | – |
| General and administrative | | 32,102 | 111 | 50,507 | 4,106 |
| Management fees | | 30,000 | – | 30,000 | - |
| Listing and filing fees | | 109,784 | 4,383 | 197,672 | 10,673 |
| Professional fees | | 88,884 | 163,110 | 235,285 | 359,679 |
| Salaries and wages | 9 | 143,654 | – | 201,520 | – |
| Share-based compensation | 9 | 6,163,725 | – | 7,706,170 | – |
| Software development | | 116,574 | – | 118,883 | – |
| Travel and conference | | 35,965 | – | 42,825 | – |
| **Total expenses** | | 7,322,094 | 167,604 | 10,398,336 | 395,458 |
| **Loss before other income (expense)** | | (7,322,094) | (167,604) | (10,398,336) | (395,458) |
| **Other income (expense)** | | | | | |
| Interest income | 4 | – | 1,329 | 70,428 | 3,314 |
| Interest expense | 6 | – | – | (7,287) | – |
| Government grant | | 27,462 | – | 34,674 | – |
| Loss on debt settlement | 7 | – | – | (658,442) | – |
| Transaction consideration | | – | – | (7,177,369) | – |
| Other income | | – | – | – | 225 |
| Total other income (expense) | | 27,462 | 1,329 | (7,737,996) | 3,539 |
| **Net loss and comprehensive loss for the period** | | (7,294,632) | (166,275) | (18,136,332) | (391,919) |
| **Loss per share, basic and diluted** | | (0.21) | (1.77) | (1.18) | (4.32) |
| **Weighted average number of common shares outstanding, basic and diluted** | | 34,895,300 | 93,750 | 15,422,212 | 90,659 |

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

**REDWOOD AI CORP.**
**(formerly Marshall Technologies Corp.)**
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT)
(Expressed in Canadian dollars)
(UNAUDITED)

| | Number of common shares | Share Capital | Subscription receipts | Share subscriptions received | Subscription receipts receivable | Reserves | Deficit | Total shareholders' equity (deficit) |
|---|---|---|---|---|---|---|---|---|
| | | $ | $ | $ | $ | $ | $ | $ |
| **Balance, August 31, 2024** | 1 | 1 | 15,000 | 18,750 | (15,000) | – | (115,581) | (96,830) |
| Shares issued for cash | 93,750 | 18,750 | – | (18,750) | – | – | – | – |
| Return of founder's share | (1) | (1) | – | – | – | – | – | (1) |
| Subscription receipts received | – | – | 180,000 | – | 15,000 | – | – | 195,000 |
| Subscription receipts to be issued | – | – | – | – | 491,500 | – | – | 491,500 |
| Net loss for the period | – | – | – | – | – | – | (391,919) | (391,919) |
| **Balance, May 31, 2025** | 93,750 | 18,750 | 195,000 | – | 491,500 | – | (507,500) | 197,750 |
| **Balance, August 31, 2025** | 93,750 | 18,750 | 195,000 | – | – | – | (647,229) | (433,479) |
| Shares issued for acquisition of Redwood AI Inc. | 12,000,000 | 6,000,000 | – | – | – | – | – | 6,000,000 |
| Shares issued for finders' fees | 600,000 | 300,000 | – | – | – | – | – | 300,000 |
| Shares issued for conversion of subscription receipts | 20,515,000 | 4,212,229 | (195,000) | – | – | 240,271 | – | 4,257,500 |
| Shares issued for corporate advisory agreement | 300,000 | 150,000 | – | – | – | – | – | 150,000 |
| Share issue costs | – | (438,427) | – | – | – | – | – | (438,427) |
| Additional contribution | – | 405,000 | – | – | – | – | – | 405,000 |
| Debt settlement | 236,003 | 1,062,014 | – | – | – | – | – | 1,062,014 |
| Shares issued for warrants exercised | 2,180,800 | 670,635 | – | – | – | (44,075) | – | 626,560 |
| Share-based compensation | – | – | – | – | – | 7,706,170 | – | 7,706,170 |
| Net loss for the period | – | – | – | – | – | – | (18,136,332) | (18,136,332) |
| **Balance, May 31, 2026** | 35,925,553 | 12,380,201 | – | – | – | 7,902,366 | (18,783,561) | 1,499,006 |

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

**REDWOOD AI CORP.**
**(formerly Marshall Technologies Corp.)**
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)
(UNAUDITED)

| | Nine months ended May 31, 2026 $ | Nine months ended May 31, 2025 $ |
|---|---|---|
| **Operating activities** | | |
| Net loss for the period | (18,136,332) | (391,919) |
| Items not involving cash: | | |
| Amortization | 122 | – |
| Interest income | (23,885) | (3,314) |
| Other income | – | (225) |
| Consulting fees paid in shares | 150,000 | – |
| Loss on debt settlement | 658,442 | – |
| Share-based compensation | 7,706,170 | – |
| Transaction consideration | 7,177,369 | – |
| Changes in non-cash working capital: | | |
| GST receivable | (30,989) | – |
| Prepaid expense | (516,226) | – |
| Accounts payable and accrued liabilities | (491,574) | 343,560 |
| Net cash used in operating activities | (3,506,903) | (51,898) |
| **Investing activities** | | |
| Promissory notes issued | (178,000) | (220,000) |
| Cash acquired on acquisition of Redwood AI Inc. | 5,224 | – |
| Acquisition of equipment | (4,383) | – |
| Net cash used in investing activities | (177,159) | (220,000) |
| **Financing activities** | | |
| Common shares returned to treasury | – | (1) |
| Proceeds from subscription receipts | – | 195,000 |
| Proceeds from subscription receipts to be issued | – | 491,500 |
| Share issue costs | (438,427) | – |
| Shares issued for exercise of warrants | 626,560 | – |
| Additional contribution | 405,000 | (52,000) |
| Net cash provided by financing activities | 593,133 | 634,499 |
| **Change in cash** | (3,090,929) | 362,601 |
| **Cash, beginning of period** | 4,184,274 | 35,017 |
| **Cash, end of period** | 1,093,345 | 397,618 |
| **Non-cash investing and financing activities:** | | |
| Fair value of shares issued to acquire Redwood AI Inc. | 4,452,500 | – |
| Fair value of warrants issued | 438,427 | – |
| Fair value of shares issued due to debt settlement | 403,572 | – |

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

## 1. NATURE OF OPERATIONS AND GOING CONCERN

Redwood AI Corp. ("Redwood" or the "Company") (formerly Marshall Technologies Corp.) was incorporated on September 6, 2022, pursuant to the provisions of the *Business Corporations Act* (British Columbia). The Company's registered office is located at Suite 2300, Bentall 5, 550 Burrard Street, Vancouver British Columbia, V6C 2B5. The Company's common shares trade on the Canadian Securities Exchange (the "CSE"), under the symbol "AIRX".

These condensed interim consolidated financial statements have been prepared with the assumption that the Company will realize its assets and discharge its liabilities in the normal course of business. During the nine months ended May 31, 2026, the Company had no revenues, incurred a net loss of $18,136,332, and had negative cash flows from operations. As at May 31, 2026, the Company had an accumulated deficit of $18,783,561. The continued operations of the Company are dependent on its ability in the future to achieve profitable operations and obtain the necessary financing to meet its obligations such that it can repay its liabilities when they become due. The inability to achieve these objectives may cast significant doubt about the Company's ability to continue as a going concern. These condensed interim consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements. The impact of these adjustments could be material.

On January 30, 2026 the Company completed the acquisition of all of the issued and outstanding common shares of Redwood AI Inc. (the "Transaction"). The principal business of the Company became that of Redwood AI Inc., which develops Artificial Intelligence ("AI")-enabled software to facilitate the investigation and development of pharmaceutical-grade molecules and compounds.

## 2. BASIS OF PRESENTATION AND MATERIAL ACCOUNTING POLICY INFORMATION

### Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to interim financial information, as outlined in International Accounting Standard ("IAS") 34, "Interim Financial Reporting" and using the accounting policies consistent with those in the audited financial statements as at and for the year ended August 31, 2025.

### Principles of consolidation

The condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Redwood AI Inc., a company incorporated under the Business Corporations Act (British Columbia). All intercompany transactions and balances are eliminated on consolidation. Control exists where the parent entity has power over the investee and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The subsidiary is included in the financial statements from the date control commences until the date control ceases

### Basis of measurement

These condensed interim consolidated financial statements have been prepared on a historical basis, except for certain financial instruments that have been measured at fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The condensed interim consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company and Redwood AI Inc.

## 2. BASIS OF PRESENTATION AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### Critical accounting estimates and judgments

The preparation of the condensed interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may materially differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

*Significant judgments*

*Going concern assumption*

The assessment of the Company's ability to continue as a going concern and its ability to execute its strategy by funding future working capital requirements requires judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, such as expectations of future events that are believed to be reasonable under the circumstances.

*Business combination/acquisition*

Management applies judgment in determining whether an acquisition is accounted for as a business combination or an asset acquisition, based on the nature of the activities and assets acquired. This assessment affects the recognition of transaction costs, and the allocation of consideration.

*Significant estimates*

*Fair value of options and finder's warrants*

Fair values of stock options and finder's warrants are determined using the Black-Scholes option pricing model. Estimating fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. Option-pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. Changes in the underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not necessarily provide reliable measurement of the fair value of the Company's stock options and finder's warrants.

(Expressed in Canadian dollars)

## 3. ACQUISITION OF REDWOOD AI INC.

On January 30, 2026, the Company completed the acquisition of 100% of the issued and outstanding shares of Redwood AI Inc. ("Opco") in exchange for 12,000,000 common shares of the Company pursuant to the Share Purchase Agreement. This acquisition has been accounted for as an acquisition of assets in accordance with IFRS 2, Share-based payments, as Opco did not meet the definition of a business under IFRS 3, Business Combinations. As there was no change of control, Opco became a wholly-owned subsidiary of the Company on January 30, 2026, the closing date of the Agreement.

In relation to the transaction, the Company issued 600,000 common shares to finders. The allocation of the consideration paid is summarized as follows:

| | $ |
|---|---:|
| **Consideration** | |
| 12,000,000 common shares at a fair value of $0.50 per share | 6,000,000 |
| 600,000 finder's shares at a fair value of $0.50 per share | 300,000 |
| | 6,300,000 |
| | |
| **Net liabilities assumed** | |
| Cash | 5,224 |
| GST receivable | 9,751 |
| Prepaid expenses | 22,309 |
| Accounts payable and accrued liabilities | (142,769) |
| Promissory notes payable | (771,884) |
| Net liabilities assumed | (877,369) |
| | |
| **Transaction cost** | 7,177,369 |

## 4. PROMISSORY NOTE RECEIVABLE

On October 16, 2024, Opco issued a promissory note of $100,000 to the Company, which was secured by a general security agreement, bore interest at the fluctuating prime-lending rate as quoted by Toronto Dominion Bank ("TD Bank"), and had a maturity date of February 16, 2025, which was extended to May 30, 2025. On May 26, 2025, additional proceeds of $120,000 were advanced to Opco, and the maturity date of the promissory note was extended to October 1, 2025. From November 2025 to January 2026, the Company made further advances of $178,000 to Opco and extended the maturity date of the promissory note to January 31, 2026. Subsequent to the acquisition of Opco, the outstanding balance of $403,316, which includes accrued interests of $5,316, was eliminated upon consolidation.

## 5. ADVANCES PAYABLE

As at May 31, 2026, the Company owed $20,000 (August 31, 2025 - $20,000) relating to advances made by individuals for private placements into the Company that are being returned. The amounts owing are unsecured, non-interest bearing, and due on demand.

## 6. PROMISSORY NOTES PAYABLE

On November 24, 2025, the Company issued a promissory note of $16,000 to an arms-length third party, which was unsecured, bore interest at the TD Bank prime lending rate, and was due on or before November 24, 2026. On January 23, 2026, the holder of this promissory note contributed additional capital to the Company, which was satisfied by the forgiveness of this promissory note payable.

On November 25, 2025, the Company issued a promissory note of $48,000 to an arms-length third party, which was unsecured, bore interest at the TD Bank prime lending rate, and was due on or before November 25, 2026. On January 23, 2026, the holder of this promissory note contributed additional capital to the Company, which was satisfied by the forgiveness of this promissory note payable.

Subsequent to the acquisition of Opco, the Company assumed promissory notes payable of $771,884 (see Note 3), of which $403,316 was owed by Opco (see Note 4). On February 20, 2026, the Company entered into an agreement to settle outstanding balance of $368,568 in exchange for 215,534 common shares of the Company.

## 7. REFUNDABLE SUBSCRIPTION RECEIPTS

On June 12, 2025, the Company issued 8,515,000 subscription receipts at $0.50 per subscription receipt for proceeds of $4,257,500. Each subscription receipt was to automatically convert into one share unit of the Company upon the completion of the Transaction (the “Conversion Condition”). Each share unit of the Company would be comprised of one common share of the Company and one half of one share purchase warrant, wherein each whole share purchase warrant will entitle the holder to purchase one additional common share of the Company at $0.70 per share for a period of five years from the conversion date.

If the Conversion Condition was not met by January 31, 2026, the funds were to be returned to investors. This refund obligation gave rise to a present obligation to deliver cash, meeting the definition of a financial liability under IAS 32.

As at May 31, 2026, the Company had financial liabilities of $nil (August 31, 2025 –$4,281,989), which included interest earned in the trust account of $nil (August 31, 2025 – $24,489), and restricted cash of $nil (August 31, 2025 – $4,161,989) held by a transfer agent on behalf of the Company. During the year ended August 31, 2025, the Company advanced $120,000 of restricted cash to Opco for working capital as part of the share purchase agreement. Refer to Note 4.

## 8. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares without par value.

(b) Shares issued during the nine months ended May 31, 2026:

On January 23, 2026, the holders of the $0.0025 and $0.001 subscription receipts, respectively, contributed additional capital to the Company, in the aggregate amount of $405,000, in order to raise the average cost of each such subscription receipt to $0.05.

On January 30, 2026, the Company issued 12,000,000 common shares with fair value of $6,000,000 pursuant to the acquisition of Opco. In relation to the acquisition, the Company issued 600,000 common shares with total fair value of $300,000 to finders. (See Note 3)

On January 30, 2026, the Company issued 300,000 common shares with fair value of $150,000 pursuant to a Corporate and Financial Advisory Agreement.

**8. SHARE CAPITAL** (continued)

On February 27, 2026, the Company issued 236,003 common shares at a total fair value of $403,572 to settle debt of $35,004 and promissory notes payable of $368,568 pursuant to debt settlement agreements. In relation to the settlement, the Company recognized loss on debt settlement of $658,442.

During the nine months ended May 31, 2026, the Company issued 2,180,800 common shares for gross proceeds of $626,560 pursuant to the exercise of warrants. The Company transferred $44,075 from reserves to share capital.

Shares issued during the year ended August 31, 2025:

On August 28, 2024, the Company issued 6,000,000 subscription receipts at $0.0025 per subscription receipt for proceeds of $15,000, which were received on September 18, 2024. Upon completion of the Transaction, these subscription receipts have been converted into 3,000,000 units of the Company on January 30, 2026, where each unit consists of one common share of the Company and two-thirds of one whole share purchase warrant. Each whole share purchase warrant will allow the holder to purchase one common share of the Company at $0.25 per common share for a period of five years from the issuance date. Using the residual value method, the Company allocated all of the proceeds to the common shares and $nil was allocated to the attached warrants.

On September 4, 2024, the Company issued 18,000,000 subscription receipts at $0.01 per subscription receipt for proceeds of $180,000. Upon completion of the Transaction, these subscription receipts have been converted into 9,000,000 common shares of the Company on January 30, 2026.

On September 9, 2024, the Company issued 93,750 common shares at a price of $0.20 per share for proceeds of $18,750, which was previously received in September 2023.

On September 9, 2024, the Company repurchased and cancelled 1 common share from the founder of the Company for consideration of $1.

On June 12, 2025, the Company issued 8,515,000 subscription receipts at $0.50 per subscription receipt for proceeds of $4,257,500. Upon completion of the Transaction, these subscription receipts have been converted into 8,515,000 units of the Company on January 30, 2026, where each unit consists of one common share of the Company and one half of one share purchase warrant. Each whole share purchase warrant will allow the holder to purchase one common share of the Company at $0.70 per common share for a period of five years from the issuance date. Using the residual value method, the Company allocated all of the proceeds to the common shares and $nil was allocated to the attached warrants.

In addition, 516,800 finder’s warrants were issued in connection with the subscription receipt financing. Each finder’s warrant entitles the holder thereof to purchase one common share at a price of $0.70 per share for 5 years. The fair value of the finder’s warrants is estimated to be $183,538 and estimated at the date of issue using the Black-Scholes option pricing model with the following assumptions: exercise price of $0.70, spot price of $0.50, dividend yield of $nil, risk free interest rate of 2.88%, expected life of 5 years and expected volatility of 100%.

(Expressed in Canadian dollars)

## 8. SHARE CAPITAL (continued)

(c) Warrants

The following table summarizes the continuity of the Company's warrants:

| | Number of Warrants | Weighted Average Exercise Price |
|---|---|---|
| Outstanding, August 31, 2025 | - | - |
| Issued | 6,774,300 | $ 0.57 |
| Exercised | (2,180,800) | $ 0.29 |
| Outstanding, May 31, 2026 | 4,593,500 | $ 0.70 |

The following warrants were outstanding and exercisable as of May 31, 2026:

| Expiry Date | Weighted Average Remaining Contractual Life in Years | Exercise Price | Outstanding and Exercisable |
|---|---|---|---|
| January 30, 2031 | 4.67 | $ 0.70 | 4,593,500 |
| | 4.67 | $ 0.70 | 4,593,500 |

(d) Restricted Share Unit Awards ("RSUs")

The Company has an equity incentive plan (the "Plan") that permits the grant of stock options, deferred share units, restricted share units, and performance share units up to 20% of the issued and outstanding common shares of the Company to directors, officers, key employees, and consultants. Terms of the options granted are subject to determination and approval by the Board of Directors. The table below summarizes the information on the outstanding RSUs of the Company:

| | Number of RSUs |
|---|---|
| Outstanding, August 31, 2025 | - |
| Granted | 1,850,000 |
| Outstanding, May 31, 2026 | 1,850,000 |

During the nine months ended May 31, 2026, 1,850,000 RSUs (2025 - nil) were granted, of which 400,000 RSUs were granted to directors of the Company. During the nine months ended May 31, 2026, the Company recognized share-based compensation expense of $7,569,075 (2025 – $nil) with a corresponding increase to reserves. The weighted average grant date fair value for RSUs granted during the nine months ended May 31, 2026 was $5 per RSU (2025 - $nil).

(e) Options

The following table summarizes the continuity of the Company's stock options:

| | Number of Options | Weighted Average Exercise Price |
|---|---|---|
| Outstanding, August 31, 2025 | - | - |
| Granted | 50,000 | $0.50 |
| Outstanding, May 31, 2026 | 50,000 | $0.50 |

(Expressed in Canadian dollars)

## 8. SHARE CAPITAL (continued)

(e) Options (continued)

Additional information regarding stock options outstanding as at May 31, 2026, is as follows:

| | Outstanding | | | Exercisable | |
|---|---|---|---|---|---|
| Exercise price | Number of stock options | Weighted average remaining contractual life (years) | Weighted average exercise price | Number of stock options | Weighted average exercise price |
| $0.50 | 50,000 | 2.69 | $0.50 | - | - |

The fair value for stock options granted have been estimated using the Black-Scholes option pricing model assuming no expected dividends or forfeitures and the following weighted average assumptions:

| | Nine months ended May 31, 2026 | Nine months ended May 31, 2025 |
|---|---|---|
| Risk-free interest rate | 2.47% | – |
| Expected life (in years) | 3.0 | – |
| Expected volatility | 100% | – |

During the nine months ended May 31, 2026, the Company recognized share-based compensation expense of $137,095 (2025 – $nil), with a corresponding increase to reserve. The weighted average fair value of the stock options granted during the nine months ended May 31, 2026 was $4.61 (2025 – $nil) per option.

## 9. RELATED PART TRANSACTIONS

Key management includes directors (executive and non-executive) and officers of the Company. The amounts due to related parties are for amounts due to directors and officers. The balances are unsecured, non–interest bearing, and due on demand.

During the nine months ended May 31, 2026, the Company incurred $107,812 (2025 - $nil) of salaries and wages to the CEO of the Company. Consulting fees of $9,000 (2025 - $5,777) related to services provided by a company controlled by the CFO of the Company. As at May 31, 2026, the Company owed $2,000 (August 31, 2025 - $8,777) to the company controlled by the CFO of the Company, which is included in accounts payable and accrued liabilities.

During the nine months ended May 31, 2026, the Company incurred share-based compensation of $1,114,689 (2025 - $nil) to the directors of the Company.

## 10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity risk, credit risk, price risk, currency risk, and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

(a) Fair values

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

*Level 1 – Quoted Prices in Active Markets for Identical Assets*

Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

*Level 2 – Significant Other Observable Inputs*

Quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability. There are no items in Level 2 of the fair value hierarchy.

*Level 3 – Significant Unobservable Inputs*

Unobservable (supported by little or no market activity) prices. There are no items in Level 3 of the fair value hierarchy.

The fair values of financial instruments, which includes cash, interest receivable, promissory note receivable, restricted cash, accounts payable and accrued liabilities, advances payable, promissory notes payable, and refundable subscription receipts, approximate their carrying values due to their short-term nature.

(b) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is attributable to cash, interest receivable, and promissory note receivable. The Company minimizes its credit risk by placing its cash with a large Canadian financial institution. The carrying amount of financial assets represents the maximum credit exposure.

(c) Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they fall due. The Company's objective to managing liquidity risk is to ensure that it has sufficient liquidity available to meet its liabilities when due. Accounts payable and accrued liabilities are typically due in 30 days, which are settled using cash.

At present, the Company's operations do not generate positive cash flow. The Company's primary source of funding has been the issuance of equity securities. Despite previous success in acquiring required financing, there is no guarantee that the Company will continue to be successful in obtaining future financing.

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is not exposed to significant interest rate risk as it does not have any liabilities with variable rates.

## 11. CAPITAL MANAGEMENT

The Company considers its capital structure to include net residual equity of all assets less liabilities. The Company's objectives when managing capital are to (i) maintain financial flexibility to preserve its ability to meet financial obligations and continue as a going concern; (ii) maintain a capital structure that allows the Company to pursue the assessment of acquisition opportunities; and (iii) optimize the use of its capital to provide an appropriate investment return to its shareholders commensurate with risk.

The Company's financial strategy is formulated and adapted according to market conditions to maintain a flexible capital structure that is consistent with its objectives and the risk characteristics of its underlying assets. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets, or adjust the amount of cash. The Company is not subject to any externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the prior year.

## 12. SUBSEQUENT EVENTS

Subsequent to May 31, 2026, the Company issued 384,000 common shares pursuant to exercise of warrants and 1,050,000 common shares pursuant to the exercise of RSUs.

On June 26, 2026 the Company entered into a share purchase agreement dated June 26, 2026 with Quantum.IQ Technologies Inc. ("Quantum.IQ") and the shareholders of Quantum.IQ, pursuant to which the Company will acquire all of the issued and outstanding shares of Quantum.IQ (the "Acquisition"), subject to the satisfaction or waiver of customary closing conditions.

On July 21, 2026, the Company closed a private placement (the "Private Placement") of 1,663,000 special warrants of the Company ("Special Warrants") at a price of $2.11 per Special Warrant, for gross proceeds of $3,508,930. Each Special Warrant is exercisable into one unit which consists of one common share and one common share purchase warrant of the Company. Each warrant shall entitle the holder thereof to acquire one common share at a price of $2.48 per share for a period of 5 years following the closing. 83,150 agent warrants have been issued in connected with the private placement, with each agent warrant being exercisable to acquire one common share at a price of $2.48 per share for 5 years.

Each Special Warrant will be automatically exercised, without the payment of any additional consideration, into one Unit on the date (the "Qualification Date") that is the earlier of: (i) 4 months and a day following the closing of the Private Placement, and (ii) the date that a prospectus supplement (the "Prospectus Supplement") is filed to qualify the distribution of the Units. However, if the Prospectus Supplement has not been filed on or before the date that is 90 days following the closing of the Private Placement (the "Penalty Provision"), then each Special Warrant will be exercisable, at no additional consideration, for 1.10 units (each, a "Penalty Unit") (instead of one unit).

**SCHEDULE "B"**

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE NINE MONTHS ENDED MAY 31, 2026

AND

OFFICER CERTIFICATES CEO & CFO

## OVERVIEW

The following management discussion and analysis ("MD&A") of the results of the operations and financial position of Redwood AI Corp. ("Redwood" or "the Company") (formerly Marshall Technologies Corp.) for the nine months ended May 31, 2026 should be read in conjunction with the Company's condensed interim consolidated financial statements for the nine months ended May 31, 2026 and the audited financial statements for the year ended August 31, 2025 which are available on the SEDAR+ website at www.sedarplus.ca. This MD&A contains information for the 2026 fiscal period to the date of this report being July 30, 2026.

The financial information in this MD&A is derived from the Financial Reports prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All figures contained in this MD&A are presented in Canadian dollars unless otherwise indicated.

Additional information is available upon request from the Company's head office at 1309 – 7th Street SW, Calgary, Alberta, T2R 1A5, or through the Company's SEDAR+ profile at www.sedarplus.ca.

## CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

Certain statements contained in the foregoing MD&A constitute forward-looking statements. Forward-looking statements often, but not always, are identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect", "targeting" and "intend" and statements that an event or result "may", "will", "should", "could", or "might" occur or be achieved and other similar expressions. Forward-looking statements in this MD&A include statements regarding the Company's future plans and expenditures, the satisfaction of rights and performance of obligations under agreements to which the Company is a part, the Company's proposed acquisition of Quantum.IQ (as defined below), including the satisfaction or waiver of closing conditions, the timing and completion of the Acquisition (as defined below), the expected business, technology, strategic and operational benefits of the Acquisition, and the integration and future development of Quantum.IQ's business, technology and assets; the Private Placement (as defined below) including the filing of the Prospectus Supplement (as defined below) to qualify the distribution of the Units (as defined below), the ability of the Company to hire and retain employees and consultants and estimated administrative assessment and other expenses. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements contained in this MD&A include statements with respect to, but not limited to the following: development of the Company's artificial intelligence ("AI") powered software, Reactosphere, including the ability of the synthesis prediction model designed to help users find the best way to create any given chemical; the anticipated benefits of the Performance Upgrade (as defined below), including any improvements in model efficiency and runtime speed, the ability to enable teams to run full studies more quickly, to expand deployment flexibility, to reduce ongoing operating costs and to allow the Company's chemistry synthesis model to run full studies on standard CPU infrastructure; the suitability of the Company's platform for potential clients with specific infrastructure footprints or intellectual property considerations; the anticipated commencement, scope, objectives, timing and potential results of the Mitacs Accelerate-supported research project with UBC and QAI (as defined below), including the ability to combine artificial intelligence with quantum computing methods, to support faster and more efficient approaches to chemical synthesis and to reduce research timelines and costs; the anticipated scope, timing and potential results of the Company's collaborative research project with the Page Lab (as defined below), including the design and optimization of inhibitors targeting NUDT5, the generation and evaluation of virtual libraries of synthetically tractable analogue compounds, the ability to help guide compound selection and accelerate the experimental work being carried out by the Page Lab, and the potential advancement of any resulting candidates toward future preclinical development; the anticipated scope, timing, development and potential utility of the Company's collaboration with Aidos (as defined below), including the development of an AI-powered analytical platform for the detection and prediction of toxic opioids, and the development of further decision-support tools; the anticipated participation of third parties in the foregoing projects and collaborations; and the potential commercial, operational, scientific or public-sector applications arising from any of the foregoing initiatives; the Company's future research and development programs and plans, and the anticipated timing and costs of same; and the continued operations of the Company being dependent on its ability to develop a sufficient financing plan, receive continued financial support from related parties, complete sufficient equity financing and generate profitable operations in the future.

Forward-looking statements are based on certain assumptions and analyses made by the Company in light of the experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate and are subject to risks and uncertainties. In making the forward-looking statements in this MD&A, the Company has made various material assumptions, including but not limited to: the Company's ability to continue developing Reactosphere and the Performance Upgrade in a manner consistent with management's expectations; that the closing conditions, approvals and consents required in connection with the Acquisition will be satisfied or obtained on terms and within timeframes acceptable to the Company; that the Company will complete the Acquisition on the terms currently contemplated; that the anticipated benefits of the Acquisition will be realized; that the Company will file the Prospectus Supplement within the expected timeframe or at all; the ability of the Company's chemistry synthesis model to improve efficiency and runtime speed, expand deployment flexibility, reduce operating costs and run full studies on standard CPU infrastructure; the suitability of the Company's platform for potential clients with specific infrastructure footprints or intellectual property considerations; the ability of the Company to continue its research projects and collaborations with UBC, QAI, the Page Lab and Aidos in a manner consistent with current expectations; the anticipated participation of third parties in the foregoing projects and collaborations; the Company's ability to successfully execute its plans and intentions; general business and economic conditions; the Company's ability to successfully execute its plans and intentions; availability of financing on reasonable terms; market competition; market for and potential revenues to be derived from the Company's products; costs, timing and future plans concerning operations of the Company will be consistent with current expectations; future interest rates; favourable operating conditions; the Company's ability to attract and retain skilled personnel and directors; political and regulatory stability; competitive conditions; market (including labour, financial and capital markets) conditions in Canada; timely receipt of governmental, regulatory and third-party approvals on favourable terms; and stability in the requirements placed on the Company under applicable laws. Although the Company believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect, and the Company cannot assure that actual results will be consistent with these forward-looking statements.

Whether actual results, performance or achievements will conform to the Company's expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, including but not limited to: negative cash flows from operations; requirement of additional capital, which may not be available to the Company when required on attractive terms, if at all; failure to further develop, prove out or commercialize the Company's technologies; the risk that the Company's development initiatives, research projects and collaborations may not proceed as anticipated or yield the expected results; the risk that the anticipated benefits or applications of the Company's platform, software and other technologies may not be realized; the risk that third parties may not participate in the Company's projects; the actual financial position and results of operations of the Company; significant ongoing costs and obligations relating to investments in infrastructure, growth, research and development, regulatory compliance and operations; that the Acquisition may not be completed on the terms anticipated or at all; that closing conditions, approvals or consents may not be satisfied or obtained; that the anticipated benefits of the Acquisition may not be realized; that integration of Quantum.IQ's business, technology or assets may be more difficult or costly than expected; that the Prospectus Supplement may not be filed within the expected timeframe or at all; protection of proprietary and intellectual property; litigation; conflicts of interest between the Company and its directors or management; adverse general economic conditions; dependence on key personnel; inflation-related risks; limits on insurance coverage and the occurrence of uninsurable risks; market price of the Company's common shares; and the Company being subject to regulatory burden. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Other than as required by applicable securities laws, the Company does not intend, and does not assume any obligation, to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on the forward-looking statements

## NATURE OF BUSINESS

The Company was incorporated on September 6, 2022, pursuant to the provisions of the *Business Corporations Act* (British Columbia).

The Company is a Vancouver-based company that integrates AI with chemistry to accelerate drug synthesis pathways. By leveraging advanced AI technology, the Company aims to reduce the time and cost associated with chemistry development, from discovery and preclinical research for pharmaceutical use cases. The Company has developed a proprietary AI-powered software, Reactosphere, designed to assist in automating manual tasks in drug synthesis, addressing a key bottleneck in pharmaceutical production. The tool aims to streamline laboratory operations, optimize equipment usage, and reduce chemical costs. Additionally, the tool and associated models are being tested in public safety settings and for defence-based applications.

The Company's business strategy focuses on leveraging proprietary AI models to address the growing need for smarter, faster, and more accurate chemical processes and for chemical identification and characterization. The Company's mission is to apply its AI capabilities to complex chemical research, creating transformative solutions for industries such as pharmaceuticals, biotechnology, public safety and defence.

The financial statements have been prepared under a going concern assumption which contemplates the Company will continue in operation and realize its assets and discharge its liabilities in the normal course of operations. Should the going concern assumption not continue to be appropriate, adjustments to carrying values may be required. The Company's ability to meet its obligations and maintain its current operations is contingent upon successful completion of additional financing arrangements and ultimately upon generating profitable operations.

Management expects to be successful in arranging sufficient funding to meet operating commitments for the ensuing year. However, the Company's future capital requirements will depend on many factors, including the costs of performing research and development activities, operating costs, the current capital market environment, and global market conditions. To achieve its long-term objectives, the Company will depend on outside capital. Such outside capital will include the issuance of additional equity shares. There can be no assurance that capital will be available, as necessary, to meet the Company's operating commitments and further development plans. The issuance of additional equity securities by the Company may result in significant dilution to the equity interests of current shareholders. If the Company is unable to obtain financing in the amounts and on terms deemed acceptable, the future success of the business could be adversely affected.

## ACQUISITION OF REDWOOD AI INC.

On January 30, 2026, the Company completed the acquisition of 100% of the issued and outstanding shares of Redwood AI Inc. ("Opco") (the "Transaction") in exchange for the issuance of 12,000,000 shares of the Company. This acquisition has been accounted for as an acquisition of assets in accordance with IFRS 2, Share-based payments, as Opco did not meet the definition of a business under IFRS 3, Business Combinations. As there was no change of control, Opco became a wholly-owned subsidiary of the Company on January 30, 2026, the closing date of the Share Purchase Agreement.

In relation to the Transaction, the Company issued 600,000 common shares to finders. The allocation of the consideration paid is summarized as follows:

| | $ |
|---|---|
| **Consideration** | |
| 12,000,000 common shares at a fair value of $0.50 per share | 6,000,000 |
| 600,000 common shares at a fair value of $0.50 per share issued as finder's fee | 300,000 |
| | 6,300,000 |
| | |
| **Net assets acquired (liabilities assumed)** | |
| Cash | 5,224 |
| GST receivable | 9,751 |
| Prepaid expenses | 22,309 |
| Accounts payable and accrued liabilities | (142,769) |
| Promissory notes payable | (771,884) |
| Net liabilities assumed | (877,369) |
| | |
| **Transaction consideration** | 7,177,369 |

## OPERATIONS UPDATE

On February 26, 2026, the Company announced a performance-focused upgrade (the "Performance Upgrade") to its proprietary AI-powered synthesis prediction model designed to help users find the best way to create certain chemicals. The Performance Upgrade is designed to improve model efficiency and runtime speed, thereby enabling teams to run full studies more quickly while expanding deployment flexibility and reducing ongoing operating costs. A key benefit of the Performance Upgrade is that it will allow Redwood's chemistry synthesis model to run full studies on standard CPU infrastructure, rather than solely on specialized GPU hardware, which will broaden the Company's platform and make it suitable for potential clients for whom other software is not suitable for their needs. The Performance Upgrade also aligns with recent advances in AI deployment strategies associated with "AI sovereignty," supporting biopharmaceutical organizations that prioritize keeping compute and sensitive workflows within their preferred infrastructure footprint. This is of critical importance given the sensitive intellectual property considerations of many organizations.

On March 26, 2026, the Company announced the launch date of a Mitacs Accelerate-supported research project with the University of British Columbia ("UBC"), delivered in collaboration with the Quantum Algorithms Institute ("QAI"). The Company and QAI are participating as co partner organizations on the project, which is anticipated to commence in April 2026. This research project represents an important step in Redwood's ongoing efforts to bring emerging technologies into real-world chemical applications. By combining artificial intelligence with quantum computing methods, the project aims to support faster and more efficient approaches to chemical synthesis, with the potential to one day reduce research timelines and costs for applications such as pharmaceutical development and defense applications.

On April 1, 2026, the Company announced the launch of a collaborative research project with the Brent Page Lab at UBC (the "Page Lab"), focused on the furthering the potential development of novel drugs for Alzheimer's disease. The project, titled "Novel Therapeutics for Neurodegeneration – Targeting NUDT5 in

Alzheimer's Disease," brings together Redwood's AI-driven computational drug research platform with the Page Lab's expertise in medicinal chemistry and drug discovery. The project will focus on the design and optimization of inhibitors targeting NUDT5, a protein involved in biological stress-related signaling processes associated with neurodegeneration in Alzheimer's disease. Redwood will apply its computational platform to generate and evaluate virtual libraries of synthetically tractable analogue compounds, with the goal of helping to guide compound selection and accelerate the experimental work being carried out by the Page Lab. By combining artificial intelligence with medicinal chemistry and biological testing, the project is intended to improve the efficiency of promising candidates for early-stage drug discovery and help advance them toward future preclinical development.

On April 17, 2026, the Company announced that it has entered into a two-year collaboration agreement (the "Collaboration") with Aidos Innovations ("Aidos") in relation to 'Track and Trace' pilot program, under which it will be working in collaboration with the Royal Canadian Mounted Police ("RCMP"), the Victoria Police Department ("VICPD"), and the Canada Border Services Agency ("CBSA") to develop an AI-powered analytical platform for the detection and prediction of toxic opioids, including fentanyl, across Vancouver and Victoria with potential for broader application across Canada. Aidos is a nonprofit institute focused on translating cutting-edge science into real-world solutions for people living with substance use disorder, with a mission centred on creating accessible tools, therapies, and technologies that support patients, clinicians, and front-line workers.

The Collaboration is intended to strengthen the region's response to the fentanyl crisis by providing a more coordinated, data-driven view of opioid activity in these two major urban centres, while also supporting broader public safety, border security, and national-level threat awareness objectives through improved coordination, earlier awareness of changes in the illicit drug supply, and more timely responses to emerging threats. The RCMP, VICPD, and CBSA will participate as key partners, helping to guide the development and use of the tool so that it supports front-line operational and intelligence needs in their jurisdictions. In addition to supporting law enforcement intelligence, the platform is intended to improve shared situational awareness among participating agencies and contribute to a more coordinated regional response to toxic drug activity. The Collaboration is expected to include the development of interactive dashboards, intelligence reports and other decision-support tools designed to help participating agencies interpret and act on emerging opioid activity more effectively.

Comparison of Use of Proceeds from the Long Form Prospectus

Investor relations expenditures exceeded the amount initially estimated in the Company's long form prospectus dated January 30, 2026 (the "Long Form Prospectus"). The Company has incurred approximately $2,000,000 in investor relations expenses since the date of the Long Form Prospectus, as compared to the previously disclosed estimate of approximately $600,000. Following the Company's public listing, the board of directors determined that enhanced investor awareness and communication initiatives were warranted and approved additional expenditures from available resources. These additional expenditures were not contemplated when the Long Form Prospectus was filed and were approved only after the Company assessed its post-listing investor relations requirements, available cash resources and overall financial position. The expenditures were funded primarily through a combination of previously unallocated working capital and cash proceeds received from warrant exercises following the Company's listing. In approving these expenditures, the board of directors considered the Company's available funds, ongoing cash inflows from Warrant exercises and the need to support the Company's visibility in the public markets.

The following table provides an update on the use of proceeds previously disclosed in the Long Form Prospectus (other than working capital), an explanation of variances and the impact of variances on the ability of the Company to achieve its business objectives and milestones.

| Use of Proceeds | Intended Amount | Spent to Date | Variance and Impact on Business Objectives |
|---|---|---|---|
| Executive and director compensation | $222,222 | $80,000 | Less executive and director compensation has been incurred. |
| Legal | $84,000 | $84,000 | None |
| Transfer agent and regulatory | $30,000 | $230,000 | Additional expenses were incurred with respect to the Short Form Base Shelf Prospectus contemplated by the Company. |
| Audit and tax | $50,000 | $50,000 | None |
| Corporate administration and accounting | $120,000 | $120,000 | None |
| Investor relations | $600,000 | $2,000,000 | The board of directors approved an additional budget to continue investor relations activities to support the Company's visibility in the public markets. The additional budget consisted of unallocated working capital, cash received through warrant exercises following listing and the Company's available cash resources.<br><br>Approximately $1,000,000 was spent on the initial MCS Market Communication Service GmbH ("**MCS**") engagement, $900,000 for the extension of the MCS engagement and US$114,000 for the InvestorBrandNetwork engagement. |
| Office and general corporate administration | $24,000 | $24,000 | None |
| Office rent | $55,000 | 48,000 | The current office rent is $8,000 per month. |
| **Total** | **$1,185,000** | $2,636,000 | $1,451,000 |

## SIGNIFICANT TRANSACTIONS DURING THE PERIOD

On November 25, 2025, the Company advanced a further $72,000 to Opco and extended the maturity date of the promissory note to January 31, 2026. In December 2025 and January 2026, the Company made further advances of $95,000 and $11,000 respectively to Opco, which had a maturity date of January 31, 2026. Subsequent to the acquisition of Opco, the outstanding balance of $403,316, which includes accrued interests of $5,316, was eliminated upon consolidation.

On November 24, 2025, the Company issued a promissory note of $16,000 to an arms-length third party, which was unsecured, bore interest at the TD Bank prime lending rate, and was due on or before November 24, 2026. On January 23, 2026, the holder of this promissory note contributed additional capital to the Company, which was satisfied by the forgiveness of this promissory note payable.

On November 25, 2025, the Company issued a promissory note of $48,000 to an arms-length third party, which was unsecured, bore interest at the TD Bank prime lending rate, and was due on or before November 25, 2026. On January 23, 2026, the holder of this promissory note contributed additional capital to the Company, which was satisfied by the forgiveness of this promissory note payable.

On February 4, 2026, the Company completed a name change from Marshall Technologies Corp. to Redwood AI Corp.

On February 6, 2026, the common shares of the Company commenced trading on the Canadian Securities Exchange (the "CSE"), under the symbol "AIRX".

Upon completion of the Transaction, the Company assumed promissory notes payable of $771,884. $403,316 of these promissory notes payable were owed by Opco to the Company.

On February 20, 2026, the Company entered into debt settlement agreements to settle $368,568 of the promissory notes payable and $35,004 of accounts payable by issuing 236,003 common shares of the Company.

On February 26, 2026, the Company announced a performance-focused upgrade to its proprietary AI-powered synthesis prediction model designed to help users find the best way to create any given chemical.

On March 5, 2026, the Company announced that it has begun receiving growing interest in its AI chemistry platform beyond its initial focus on AI-driven chemistry for potential drug development. The Company has recently received inquiries from organizations operating in other sectors, including defense and public safety for uses such as chemical hazard and threat screening, rapid characterization of unknown compounds, analysis of chemical signatures, and enhanced assessment of precursor chemical supply chains. These discussions highlight the broader potential of Redwood's proprietary AI platform, which was originally developed to accelerate pharmaceutical discovery, but it can also be utilized to analyze and interpret complex chemical datasets across multiple domains.

On April 13, 2026, the Company announced the appointment of Mr. Sam Shahrokhi to its Board of Directors, effective immediately.

## SELECTED FINANCIAL INFORMATION

The table below sets out certain selected financial information regarding the operations of the Company for the period indicated. The selected financial information has been prepared in accordance with IFRS and should be read in conjunction with the Company's financial statements and related notes.

The Company has not declared any dividends since its incorporation and does not anticipate paying cash dividends in the foreseeable future on its common shares and intends to retain any future earnings to finance internal growth, acquisitions, and development of its business. Any future determination to pay cash dividends will be at the discretion of the board of directors of the Company and will depend upon the Company's financial condition, results of operations, capital requirements and such other factors as the board of directors deems relevant.

| | **Three Months Ended** | | **Nine Months Ended** | |
|---|---|---|---|---|
| **Summary of Operations** | **May 31, 2026** | **May 31, 2025** | **May 31, 2026** | **May 31, 2025** |
| | **$** | **$** | **$** | **$** |
| Total expenses | 7,322,094 | 167,604 | 10,398,336 | 395,458 |
| Net loss for the period | (7,294,632) | (166,275) | (18,136,332) | (391,919) |
| Basic and diluted loss per share | (0.21) | (1.77) | (1.18) | (4.32) |

| **Balance Sheet Summary** | **May 31, 2026** | **August 31, 2025** |
|---|---|---|
| | **$** | **$** |
| Current assets | 1,697,371 | 4,434,945 |
| Total assets | 1,701,632 | 4,434,945 |
| Total current liabilities | 202,626 | 4,868,424 |
| Working capital (deficit) | 1,494,745 | (433,479) |

## QUARTERLY INFORMATION

Results from the eight most recently completed quarters are summarized below.

| | May 31, 2026 | February 28, 2026 | November 30, 2025 | August 31, 2025 |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| Revenue | - | - | - | - |
| Net loss for the period | (7,294,632) | (10,765,596) | (76,104) | (139,729) |
| Total assets | 1,701,632 | 2,324,473 | 4,531,239 | 4,434,945 |
| Basic and diluted loss per share | (0.21) | (0.98) | (0.81) | (1.49) |
| Weighted average shares outstanding | 34,895,300 | 11,015,167 | 93,750 | 93,750 |
| | **May 31, 2025** | **February 28, 2025** | **November 30, 2024** | **August 31, 2024** |
| | $ | $ | $ | $ |
| Revenue | - | - | - | - |
| Net loss for the period | (166,275) | (127,232) | (98,412) | (56,573) |
| Total assets | 620,932 | 132,738 | 168,753 | 35,017 |
| Basic and diluted loss per share | (1.77) | (1.36) | (1.16) | (56,573) |
| Weighted average shares outstanding | 93,750 | 89,089 | 84,478 | 1 |

## RESULTS OF OPERATIONS

For the three months ended May 31, 2026:

During the three months ended May 31, 2026, the Company recorded a net loss of $7,294,632 as compared to a net loss of $166,275 for 2025. The increase in net loss was due to a higher level of corporate activities, subsequent to the acquisition of Opco.

Total expenses for the three months ended May 31, 2026 amounted to $7,322,094 as compared to $167,604 for 2025, an increase of $7,154,490. The increase in net loss can be attributed to the following:

- Advertising expense of $580,495 (2025 - $nil), which was incurred to increase investor awareness and to promote the Company.

- Consulting fees of $14,360 (2025 - $nil), which increased as a result of the Company hiring third party consultants.

- General and administrative expenses of $32,102 (2025 - $111) related to general corporate expenditures which increased due to a higher level of corporate activities.

- Listing and filing fees of $109,784 (2025 - $4,383) related to the public listing of the combined entity.

- Professional fees of $88,884 (2025 - $163,110) related to legal, audit, accounting and corporate administration services incurred in relation to the Transaction with Opco as well as the public listing of the combined entity.

- Salaries and wages of $143,654 (2025 - $nil) increased as a result of the Transaction with Opco and were related to the Company's internal development team comprised of leading scientists in their respective fields of expertise.

- Share-based compensation of $6,163,725 (2025 - $nil) related to the issuance of RSUs and options to officers, directors and consultants of the Company.

For the nine months ended May 31, 2026:

During the nine-month period ending May 31, 2026, the Company recorded a net loss of $18,136,332 as compared to a net loss of $391,919 for the comparable period ended. The increase in loss was due to an increased level of corporate activities, as the Company completed the Transaction with Opco as well as the public listing of the combined entity's common shares on the CSE.

Total expenses for the nine-month period ended May 31, 2026 amounted to $10,398,336 as compared to $395,458 for the comparable period ended, an increase of $10,002,878. The increase in net loss can be attributed to the following:

- Advertising of $1,595,288 (2025 - $21,000), which was incurred to increase investor awareness and to promote the Company.

- Consulting fees of $212,143 (2025 - $nil), which increased as a result of the Company hiring third party consultants.

- General and administrative expenses of $50,507 (2025 - $4,106) related to general corporate expenditures which increased due to a higher level of corporate activities.

- Listing and filing fees of $197,672 (2025 - $10,673) related to the public listing of the combined entity.

- Professional fees of $235,285 (2025 - $359,679) related to legal, audit, accounting and corporate administration services incurred in relation to the Transaction with Opco as well as the public listing of the combined entity.

- Salaries and wages of $201,520 (2025 - $nil) increased as a result of the Transaction with Opco and were related to the Company's internal development team comprised of leading scientists in their respective fields of expertise.

- Share-based compensation of $7,706,170 (2025 - $nil) related to the issuance of RSUs and options to officers, directors and consultants of the Company.

- Interest income of $70,428 (2025 - $3,314) was recognized in relation to the promissory note issued to Opco.

- Loss on debt settlement of $658,442 (2025 - $nil) was recognized as the Company entered into debt settlement agreements to settle accounts payable of $35,004 and promissory notes payable of $368,568.

- Transaction consideration of $7,177,369 (2025 - $nil) was recognized as a result of the Transaction with Opco and represented the excess of common shares issued for the acquisition in comparison to the net liabilities assumed.

## FINANCING ACTIVITIES

On August 28, 2024, the Company issued 6,000,000 subscription receipts at $0.0025 per subscription receipt for proceeds of $15,000, which were received on September 18, 2024. Upon completion of the Transaction, these subscription receipts have been converted into 3,000,000 units of the Company on January 30, 2026, where each unit consists of one common share of the Company and two-thirds of one whole share purchase warrant. Each whole share purchase warrant will allow the holder to purchase one common share of the Company at $0.25 per common share for a period of five years from the issuance date.

On September 4, 2024, the Company issued 18,000,000 subscription receipts at $0.01 per subscription receipt for proceeds of $180,000. Upon completion of the Transaction, these subscription receipts have been converted into 9,000,000 common shares of the Company on January 30, 2026.

On September 9, 2024, the Company issued 93,750 common shares at a price of $0.20 per share for proceeds of $18,750, which was previously received in September 2023.

On September 9, 2024, the Company repurchased and cancelled 1 common share from the founder of the Company for consideration of $1.

On June 12, 2025, the Company issued 8,515,000 subscription receipts at $0.50 per subscription receipt for proceeds of $4,257,500. Upon completion of the Transaction, these subscription receipts have been converted into 8,515,000 units of the Company on January 30, 2026, where each unit consists of one common share of the Company and one half of one share purchase warrant. Each whole share purchase warrant will allow the holder to purchase one common share of the Company at $0.70 per common share for a period of five years from the issuance date. In addition, 516,800 finder's warrants were issued in connection with the subscription receipt financing. Each finder's warrant entitles the holder thereof to purchase one common share at a price of $0.70 per share for 5 years.

On November 24, 2025, the Company issued a promissory note of $16,000 to an arms-length third party, which was unsecured, bore interest at the TD Bank prime lending rate, and was due on or before November 24, 2026. On January 23, 2026, the holder of this promissory note contributed additional capital to the Company, which was satisfied by the forgiveness of this promissory note payable.

On November 25, 2025, the Company issued a promissory note of $48,000 to an arms-length third party, which was unsecured, bore interest at the TD Bank prime lending rate, and was due on or before November 25, 2026. On January 23, 2026, the holder of this promissory note contributed additional capital to the Company, which was satisfied by the forgiveness of this promissory note payable.

On January 23, 2026, the holders of the $0.0025 and $0.001 subscription receipts, respectively, contributed additional capital to the Company, in the aggregate amount of $405,000, in order to raise the average cost of each such subscription receipt to $0.05.

On January 30, 2026, the Company issued 12,000,000 common shares pursuant to the Transaction. In addition, the Company issued 600,000 common shares with total fair value of $300,000 to finders .

On January 30, 2026, the Company issued 300,000 common shares with fair value of $150,000 pursuant to a Corporate and Financial Advisory Agreement.

During the nine months ended May 31, 2026, the Company issued 236,003 common shares at a fair value of $403,572 to settle accounts payable of $35,004 and promissory notes payable of $368,568 pursuant to debt settlement agreements and recorded a $658,442 loss on settlement of debt.

During the nine months ended May 31, 2026, the Company issued 2,180,800 common shares for gross proceeds of $626,560 pursuant to the exercise of warrants.

## LIQUIDITY & CAPITAL RESOURCES

As at May 31, 2026, the Company had a working capital of $1,494,745 (August 31, 2025 – deficit of $433,479), cash of $1,093,345 (August 31, 2025 - $22,285) and restricted cash of $nil (August 31, 2025 - $4,161,989). During the nine months ended May 31, 2026, net cash used in operating activities was $3,506,903. Net cash from investing activities were related to the advances made towards promissory note receivable of $178,000 and equipment purchase of $4,383, offset by cash acquired on acquisition of Redwood AI Inc. of $5,224. As part of financing activities, the Company incurred share issue costs of $438,427, received additional contribution of $405,000 and proceeds of $626,560 from exercise of warrants.

These condensed interim consolidated financial statements have been prepared with the assumption that the Company will realize its assets and discharge its liabilities in the normal course of business. During the nine months ended May 31, 2026, the Company had no revenues, incurred a net loss of $18,136,332, and had negative cash flows from operations. As at May 31, 2026, the Company had a working capital of

$1,494,745 and an accumulated deficit of $18,783,561. The continued operations of the Company are dependent on its ability in the future to achieve profitable operations and obtain the necessary financing to meet its obligations such that it can repay its liabilities when they become due. The inability to achieve these objectives may cast significant doubt about the Company's ability to continue as a going concern. These condensed interim consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements. The impact of these adjustments could be material.

## CAPITAL MANAGEMENT

The Company considers its capital structure to include net residual equity of all assets, less liabilities. The Company's objectives when managing capital are to (i) maintain financial flexibility in order to preserve its ability to meet financial obligations and continue as a going concern; (ii) maintain a capital structure that allows the Company to pursue the development of its research projects; and (iii) optimize the use of its capital to provide an appropriate investment return to its shareholders commensurate with risk.

The Company's financial strategy is formulated and adapted according to market conditions in order to maintain a flexible capital structure that is consistent with its objectives and the risk characteristics of its underlying assets. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets, or adjust the amount of cash. The Company is not subject to any externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from prior year.

## OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

## TRANSACTIONS WITH RELATED PARTIES AND EXECUTIVE COMPENSATION

Key management includes directors (executive and non-executive) and officers of the Company. The amounts due to related parties are for amounts due to directors and officers. The balances are unsecured, non–interest bearing and have no specific terms for repayment.

During the nine months ended May 31, 2026, the Company incurred $107,812 (2025 - $nil) of salaries and wages to the CEO of the Company and consulting fees of $9,000 (2025 - $5,777) related to services provided by a company controlled by CFO of the Company. As at May 31, 2026, the Company owed $2,000 (August 31, 2025 - $8,777) to the company controlled by CFO of the Company, which is included in accounts payable and accrued liabilities.

During the nine months ended May 31, 2026, the Company also incurred $1,114,689 (2025 - $nil) of share-based compensation to the directors of the Company.

The related party transactions were recorded at the exchange amount, which is considered equivalent to the fair value of the services provided.

## ONGOING CONTRACTUAL OBLIGATIONS

The Company entered into a consulting agreement effective as of December 11, 2024 with GKM Consulting Inc. (the "CFO Agreement"), for the services of Mr. Nico Mah to act as the CFO and Corporate Secretary for a monthly fee of $1,000, plus applicable taxes plus $150 per hour for each hour in excess of the minimum commitment of Mr. Mah's attention and ability to the business and affairs of the Company and its subsidiaries on a part-time basis of no less than 15 hours per quarter. The CFO Agreement does not have any provisions with respect to change of control.

## CRITICAL ACCOUNTING ESTIMATES

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates and assumptions are disclosed in Note 2 of the condensed interim consolidated financial statements for the nine months ended May 31, 2026.

## FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Refer to Note 10 of the Company's financial statements for the year ended August 31, 2025, for disclosure regarding the Company's financial instruments. Cash, accounts payable and accrued liabilities, and advances payable are held at amortized cost which approximates fair value due to the short-term nature of these instruments.

## SUBSEQUENT EVENTS

Subsequent to May 31, 2026, the Company issued 384,000 common shares pursuant to exercise of warrants and 1,050,000 common shares pursuant to exercise of RSUs.

On June 26, 2026 the Company entered into a share purchase agreement dated June 26, 2026 with Quantum.IQ Technologies Inc. ("Quantum.IQ") and the shareholders of Quantum.IQ, pursuant to which the Company will acquire all of the issued and outstanding shares of Quantum.IQ (the "Acquisition"), subject to the satisfaction or waiver of customary closing conditions.

On July 21, 2026, the Company closed a private placement (the "Private Placement") of 1,663,000 special warrants of the Company ("Special Warrants") at a price of $2.11 per Special Warrant, for gross proceeds of $3,508,930. Each Special Warrant is exercisable into one unit which consists of one common share and one common share purchase warrant of the Company. Each warrant shall entitle the holder thereof to acquire one common share at a price of $2.48 per share for a period of 5 years following the closing. 83,150 agent warrants have been issued in connected with the private placement, with each agent warrant being exercisable to acquire one common share at a price of $2.48 per share for 5 years.

Each Special Warrant will be automatically exercised, without the payment of any additional consideration, into one Unit on the date (the "Qualification Date") that is the earlier of: (i) 4 months and a day following the closing of the Private Placement, and (ii) the date that a prospectus supplement (the "Prospectus Supplement") is filed to qualify the distribution of the Units. However, if the Prospectus Supplement has not been filed on or before the date that is 90 days following the closing of the Private Placement (the "Penalty Provision"), then each Special Warrant will be exercisable, at no additional consideration, for 1.10 units (each, a "Penalty Unit") (instead of one unit).

## OUTSTANDING SHARE DATA

The Company had the following securities issued and outstanding:

| | May 31, 2026 | Date of MD&A |
|---|---|---|
| Common shares | 35,925,553 | 37,359,553 |
| Warrants | 4,593,500 | 4,292,650 |
| Special warrants | - | 1,663,000(1) |
| RSU | 1,850,000 | 800,000 |
| Stock options | 50,000 | 50,000 |

(1) If the Penalty Provision is triggered, 1,663,000 Special Warrants will be exercisable into 1,829,300 Penalty Units (instead of 1,663,000 Units).

## ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

The following table sets out the following material components for the periods presented:

| | **Nine months ended May 31, 2026 $** | **Nine months ended May 31, 2025 $** |
|---|---|---|
| General and administrative expenses | 10,398,336 | 395,458 |
| Other material costs expensed or recognized as assets | 7,737,996 | 3,539 |
| Total | 18,136,332 | 391,919 |

## OUTLOOK

The Company's primary focus for the foreseeable future will be on the business of developing AI models to assist in the investigation and development of pharmaceuticals as well as defense and public safety-associated chemical tracking.

## RISKS

The Company is subject to a number of risks and uncertainties that could significantly affect its financial condition and performance. As the Company grows and enters into new markets, these risks can increase. These risk factors are not a definitive list of all risk factors associated with the Company or in connection with the Company's operations.

The Company has no history of profitable operations and a limited operating history. The Company's present business is at an early stage of development. As such, many risks common to such early-stage enterprises, including cash shortages and limitations with respect to personnel, financial and other resources, and access to capital, exist. Certain risks and assumptions include, among others:

- the Company's limited operating history;
- uncertainty as to the Company's ability to continue as a going concern;
- substantial fluctuation of losses due to numerous external risk factors out of the Company's control that cause the Company to incur significant losses in the future;
- uncertainty as to the Company's ability to raise additional funding to support operations;
- regulatory approval as well as with health and data protection laws and risks;
- compliance with environmental and consumer health and safety laws and regulations;
- uncertainty surrounding the Company's reputation and feasibility of product developments;
- the Company's ability to adequately protect its intellectual property and trade secrets;
- risks related to various tax matters;
- the Company's reliance on the capabilities and experience of the Company's key executives and the resulting loss of any of these individuals;
- liquidity of the Company's securities;
- risks related to additional issuances and dilution of the Company's securities;
- risks related to the Company's capital structure;
- the costs associated with maintain public listings; and
- other factors beyond the Company's control.

There is no assurance that the Company will be successful in executing its business plan and generating a return on shareholders' investments. The likelihood of success must be considered in relation to its early stage of operations and industry. There are a number of risk factors that could cause future results to differ materially from those described herein. Additional risks and uncertainties, including those that the Company does not know about or that it currently deems immaterial, could also adversely affect the Company's business and results of operations.

## ADDITIONAL INFORMATION

Additional information related to the Company will be available for view on the Company's SEDAR+ profile at www.sedarplus.ca, or by requesting further information from the Company's head office.

Redwood AI Corp.
1309 -7th Street SW, Calgary Alberta, Canada, T2R 1A5

**Form 52-109FV2**
***Certification of Interim Filings***
***Venture Issuer Basic Certificate***

I, **Louis Dron**, Chief Executive Officer of **Redwood AI Corp.** certify the following:

1. ***Review:*** I have reviewed the interim financial report and interim MD&A (together, the "interim filings") of **Redwood AI Corp.** (the "issuer") for the interim period ended **May 31, 2026.**

2. ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.

3. ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

Date: **July 30, 2026**

*"Louis Dron"*

**Louis Dron**
Chief Executive Officer

**NOTE TO READER**

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

**Form 52-109FV2**
***Certification of Interim Filings***
***Venture Issuer Basic Certificate***

I, **Nico Mah,** Chief Financial Officer of **Redwood AI Corp.** certify the following:

1. ***Review:*** I have reviewed the interim financial report and interim MD&A (together, the "interim filings") of **Redwood AI Corp. (**the "issuer") for the interim period ended **May 31, 2026**.

2. ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.

*3.* ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

Date: **July 30, 2026**

*"Nico Mah"*

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**Nico Mah**
Chief Financial Officer

**<u>NOTE TO READER</u>**

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.